



***DRAFT***

**2012/13**

**ANNUAL REPORT**

**30 SEPTEMBER 2013**

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**NOTE:**

The key to references to the various financial years throughout this Annual Report is provided in the table below:

<b>YEAR</b>	<b>FINANCIAL YEAR</b>
Year -2	2010/11
Year -1	2011/12
<b>Year 0</b>	<b>2012/13</b>
Year 1	2013/14
Year 2	2014/15

# **CHAPTER 1**

## **MAYOR'S FOREWORD AND EXECUTIVE SUMMARY**

### **COMPONENT A: EXECUTIVE MAYOR'S FOREWORD**

The 2012/13 Annual Report of the Nelson Mandela Bay Municipality has been developed in line with the National Treasury's Circular No. 63 (New Annual Report Format and Content) and is submitted in compliance with various pieces of legislation, such as Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003.

This Report reflects the key strategic and service delivery related projects and programmes undertaken by the Municipality during the review period. These include the projects undertaken in terms of the 100 Days Programme, which I announced to Council during my inaugural speech as Executive Mayor on 22 March 2013 in an attempt to fast-track delivery on the most pressing needs of our communities.

The highlights and successes detailed in this Annual Report were undertaken in line with the strategic objectives of the Municipality, which include:

- (a) Ensuring access to basic services for all resident communities in Nelson Mandela Bay.
- (b) Developing and sustaining the spatial, natural and built environments.
- (c) Providing integrated and sustainable human settlements.
- (d) Addressing the challenges of poverty, unemployment and social inequality.
- (e) Ensuring sound financial management and viability.
- (f) Entrenching a culture of public participation in municipal planning, budgeting and decision-making processes.

The review period saw the assumption to Office of a new Executive Mayor and Deputy Executive Mayor in March 2013, together with a revised Executive Mayoral Committee Team, which heralded a new focus on community needs and concerns and their involvement in municipal planning and decision-making processes.

A vibrant IDP and Budget public participation programme was undertaken, which saw the leadership address and interact with local communities. Constituency Mondays was introduced, which has seen the Executive Mayoral Committee members visiting and reaching out to communities, specifically regarding cleaning up and anti-littering campaigns.

Some of the key highlights during the review period include the following:

- (a) Successful hosting of the Orange AFCON Cup of Nations.
- (b) The launch of the Integrated Public Transport System “*Libhongolethu*” to provide local commuters with efficient, reliable and safe public transport.
- (c) The establishment of an Investment Council, which will energise and improve the economic climate and conditions in the City to make it a more attractive place for investors.
- (d) Fast-tracking of the Municipality’s Illegal Dumping Strategy.
- (e) Provincial Vuna Award for best performing Municipality in revenue collection.
- (f) Major job creation through Expanded Public Works Programme (EPWP) initiatives.
- (g) Successful roll-out of backyard dwellers registration campaign.
- (h) Launch of various housing projects, which saw a large number of householders receiving keys to their brand new homes.
- (i) Section 154 support culminating into adoption of a macro structure focusing on an improved service delivery model.



While definite strides were made in improving the quality of life of our residents, it is acknowledged that challenges remain, specifically in securing greater public participation and engagement in decision-making and planning processes. As the institution's Budget does not address all the needs and priorities of our residents, the Municipality is prioritising securing external sources of funding and broadening its revenue base.

Further challenges experienced during the 2012/13 financial year, *inter alia*, included:

- No full-time City Manager for the majority of 2012/13 financial year.
- High senior management vacancy rate.
- Receipt of a qualified audit opinion for the 2011/12 financial year after four years of an unqualified audit opinion.

The Municipality is currently in the process of stabilising the administration, *inter alia*, through recruitment processes to fill key strategic vacancies. With regard to the audit opinion, the Municipality has developed an Action Plan to address the findings and is closely monitoring the situation.


The establishment of a Ward Committee System is also being prioritised to enhance the institution's interaction with local communities.

The institution recognizes that proper sanitation is vital in ensuring quality of life in our communities and in that regard, is committed to eradicate the bucket system. It is currently procuring alternative sanitation solutions to breach the waiting period for prospective home owners on the waiting list.

A modern and progressive City needs a unified and integrated vision moving forward to harness and direct the collective energy of all its stakeholders. The Municipality is planning a process to revise its existing Vision, which process will unfold during the 2013/14 financial year. The process will be characterised by wide public and stakeholder engagement and consultation to ensure a shared Vision, Mission and Long-term Development Strategy for Nelson Mandela Bay.

I would like to take this opportunity to pay homage to compatriots who passed away over the review period. Specific mention must be made of a previous Chief Whip of the institution, Mike Nzotoyi; a former Chairperson of Safety and Security Standing Committee, Mahlubi Biyana; and Proportional Representative Councillor Gail Lotter, who served the Uitenhage area.

I would like to express my sincere gratitude to all Councillors, officials, the communities of Nelson Mandela Bay and stakeholders for their dedication, support and co-operation, which enabled the institution to record service delivery progress during the year under review.

 30/9/2013  
**COUNCILLOR N B FIHLA**  
**EXECUTIVE MAYOR**

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 CITY MANAGER'S OVERVIEW**

This Annual Report represents a record of the institution's service delivery efforts and initiatives over the review period, in order to improve overall efficiency and effectiveness in municipal activities.

The Nelson Mandela Bay Metropolitan Municipality was established in the year 2000, when seven local authorities, including the Port Elizabeth Municipality, Despatch Municipality, Uitenhage Municipality and the Western District Municipality, were amalgamated and the newly established institution had to assume the concomitant duties and responsibilities of a metropolitan municipality. The amalgamation saw the newly established municipality assuming responsibility for both urban and peri-urban areas, which was not previously the case. The by-laws and policies of the various erstwhile municipalities had to be harmonised and standardised.

The institution is committed to render quality services to the communities of Nelson Mandela Bay and to expedite delivery and broaden access to the basic services previously denied them. These services are rendered in terms of the Municipality's key strategic planning tool, namely its Integrated Development Plan (IDP), which ensures close co-ordination and integration between projects, programmes, activities and resources, both internally (between clusters and directorates) and externally (with other spheres of government). The IDP ultimately enhances integrated service delivery and development, and promotes sustainable integrated communities, providing a full basket of services.

While the institution's current IDP and Budget speak to one another, it is acknowledged that this area needs more focus and refinement and this will be addressed as a matter of priority in the coming financial year.

This Annual Report confirms that the Municipality has made progress in basic service delivery, rolling out and expanding the provision of water, sanitation, electricity, housing, etc. to local communities.

Regarding the conservation of electricity and water, the Municipality believes that it should set an example to residents in the way in which it uses these precious resources. Initiatives in this regard, which complement the institution's external community awareness campaigns, include the installation of energy efficient lighting and occupancy sensors in municipal buildings and facilities, as well as energy conservation awareness for staff.

The institution's Operational Efficiency Plan, which was developed following the cash challenge experienced in 2010, guides its operational spending and has seen a significant curtailment in expenditure on key cost drivers, such as travel, accommodation, catering and telephone usage.

The Municipality uses service providers and co-operatives to provide certain services. For example, a number of local co-operatives are used to provide community based cleaning services, which also serve as job creation initiatives to counter high levels of unemployment, transfer business skills to entrepreneurs, and instill a sense of pride in community and the environment.

To enhance the auditing process, additional skills and expertise were acquired during the review period by co-sourcing the internal audit function.

Finally, I would like to record my sincere appreciation for the efforts and hard work of the staff of the Nelson Mandela Bay Municipality, without which the service delivery progress reported in this Annual Report would not have been possible. Their commitment and dedication, in the face of constraints and challenges, to serving the communities of Nelson Mandela Bay is commendable.



**MR M MBAMBISA**

**ACTING CITY MANAGER**

## **1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

### **1.2.1 GEOGRAPHIC AND DEMOGRAPHIC PROFILE**

The Nelson Mandela Bay Metropolitan area, which comprises the erstwhile city of Port Elizabeth and the former towns of Uitenhage and Despatch, as well as rural areas, is South Africa's second oldest city, after Cape Town.

Nelson Mandela Bay is:

- a major seaport in South Africa, with two harbours (general and deep-sea ports);
- a major automotive manufacturing centre;
- the economic power-house of the Eastern Cape Province;
- a major tourist destination, with attractions of the following calibre:
  - 40 km of unspoilt golden beaches;
  - World-famous game parks and wildlife reserves, as well as the Addo National Elephant Park, accommodating the Big Seven, in a malaria-free environment, situated on the doorstep of the city.
  - Three of 21 international biodiversity hotspots and five of South Africa's seven biomes.
  - Has near perfect weather all year round.
- the Mohair Capital of South Africa.

#### **(a) Population**

Nelson Mandela Bay (NMB) has a population of 1,152,115 and covers an area of 1,950 km<sup>2</sup>. Further details pertaining to the population are reflected in the tables below:

**Demographic Information for Nelson Mandela Bay  
based on Population Group**

<b>Population Group</b>	<b>% of Population</b>
Black African	60.13%
Coloured	23.56%
Indian or Asian	1.11%
White	14.36%
Other*	0.84%
<b>Total</b>	<b>100.00%</b>

*Source: StatsSA Census 2011*

*\* Other relates to respondents who felt that they did not fit into any of the four population groups as provided on the Census Form.*

**Demographic Information for NMB based on  
Population Group and Gender**

	<b>Male</b>	<b>Female</b>	<b>Total</b>
Black African	331220	361518	692738
Coloured	129593	141873	271466
Indian or Asian	6502	6335	12837
White	79816	85608	165424
Other	5860	3787	9647
<b>Total</b>	<b>552991</b>	<b>599121</b>	<b>1152112</b>
<b>% Total Gender</b>	<b>48.00%</b>	<b>52.00%</b>	<b>100.00%</b>

*Source: StatsSA Census 2011*

**Demographic Information for NMB based on Age**

<b>0-14 Years Old</b>	<b>15-65 Years Old</b>	<b>&gt; 65 Years Old</b>	<b>Total</b>
294269	795392	62453	1152114
25.54%	69.04%	5.42%	100.00%

*Source: StatsSA Census 2011*

**Demographic Information for NMB indicating Employment Status**

<b>Official Employment Status</b>	<b>Working age population</b>	<b>% of Working age population</b>
Employed	290155	36.48%
Unemployed	209088	26.29%
Other not economically active*	289969	36.46%
Not Applicable**	6180	0.78%
<b>Labour Total</b>	<b>795392</b>	<b>100.00%</b>

*Source: StatsSA Census 2011*

*\* 'Not economically active' (NEA) comprises discouraged work-seekers and other NEA (e.g. housewives, students or those who are not able to work).*

*\*\* 'Not applicable' relates to persons younger than fifteen years, institutional population and transients.*

**Educational institution by Gender  
Nelson Mandela Bay**

	<b>Male</b>	<b>Female</b>	<b>Grand Total</b>
Pre-schools, including day-care centres; crèches; and Grade R and Pre-Grade R in Eastern Cape Department of Education Centres	1177	1149	2325
Ordinary schools (including Grade R learners who attend formal schools, Grades 1-12 learners; and learners in special classes)	122286	119546	241832
Special schools	1087	832	1919
Further Education and Training (FET) Colleges	4663	5527	10190
Other Colleges	1824	2511	4335
Higher Educational Institutions Universities / Universities of Technology	11813	13691	25504
Adult Basic Education and Training (ABET) Centres	1564	1995	3559
Literacy classes, e.g. Kha Ri Gude; SANLI	277	395	672
Home based education/Home schooling	590	554	1143
Not applicable	407713	452922	860636
<b>Grand Total</b>	<b>552994</b>	<b>599121</b>	<b>1152115</b>

*Source: StatsSA Census 2011*

The population trends in Nelson Mandela Bay are reflected in the table below:

<b>Year</b>	<b>Total</b>	<b>Asians / Indians (%)</b>	<b>Black African (%)</b>	<b>Coloureds (%)</b>	<b>Whites (%)</b>
<b>2001</b>	1 005 804	1.12	58.93	23.43	16.51
<b>2007 (CS)</b>	1 050 933	0.92	60.40	22.56	16.12
<b>OR 2007 (Est)</b>	1 069 670	1.12	58.89	23.48	16.51
<b>2011</b>	1 152 112	1.11	60.13	23.56	14.36
<b>2015</b>	1 224 630	1.1	56.0	24.1	18.8
<b>2020</b>	1 243 930	1.0	55.9	24.4	18.7

*Source: StatsSA (Census 2001), StatsSA (Community Survey, StatsSA Mid Year Estimates and StatsSA (Census 2011)*

<b>Overview of Neighbourhoods within Nelson Mandela Bay</b>			
<b>Settlement Type</b>	<b>Households</b>	<b>Population</b>	<b>Comment</b>
<b>Towns</b>			Including backyard and other type dwellings
Blue Horizon Bay	219	419	
Clarendon Marine	805	1920	
Colchester	574	2073	
Despatch	11696	32572	
Nelson Mandela Bay (including Port Elizabeth)	132478	483610	
Uitenhage	23116	101212	
<b>Sub-total</b>	<b>168888</b>	<b>621806</b>	
<b>Townships</b>			
Ibhayi	53703	209980	
Motherwell	36786	136144	
KwaNobuhle	25850	99149	
<b>Sub-total</b>	<b>116339</b>	<b>445273</b>	
<b>Rural settlements</b>			
None	0	0	
<b>Sub-total</b>	<b>0</b>	<b>0</b>	
<b>Informal settlements</b>			Including informal areas and backyard dwellings
Various across Nelson Mandela Bay	39064	85037	
<b>Sub-total</b>	<b>39064</b>	<b>85037</b>	
<b>Total</b>	<b>324291*</b>	<b>1152116</b>	
			T 1.2.6

\* Formal and Informal

Source: Census 2011

**Please Note:** When Statistics South Africa calculated the true population, omissions and duplicate counts were encountered during the enumeration process, which needed to be rectified. This resulted in small variations in the totals for populations and households in the tables included in this report. These variations are not significant; however, they account for the varying totals.



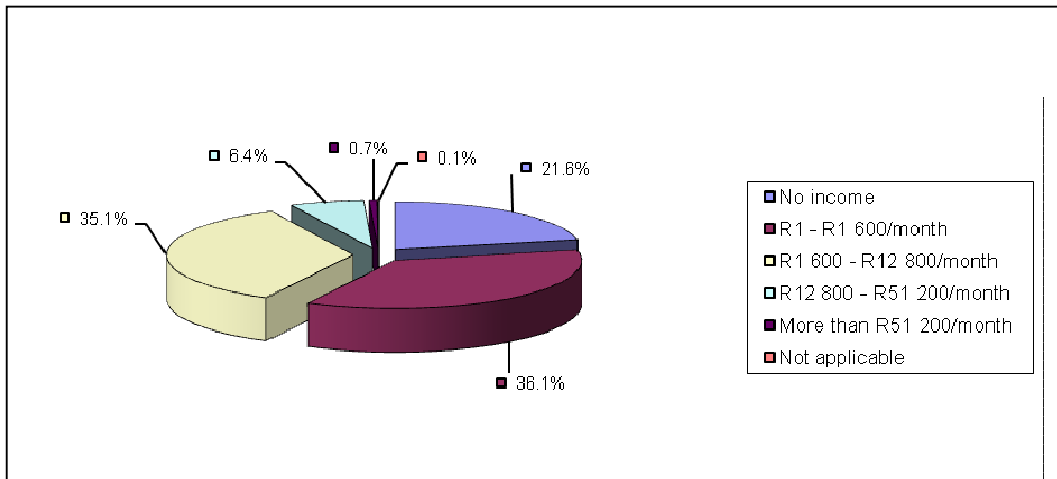
**(b) Household data**

Number of households                    =     276 850 - formal (Census 2011)  
    =     23 411 (informal)  
    =     49 000 (backyard shacks)

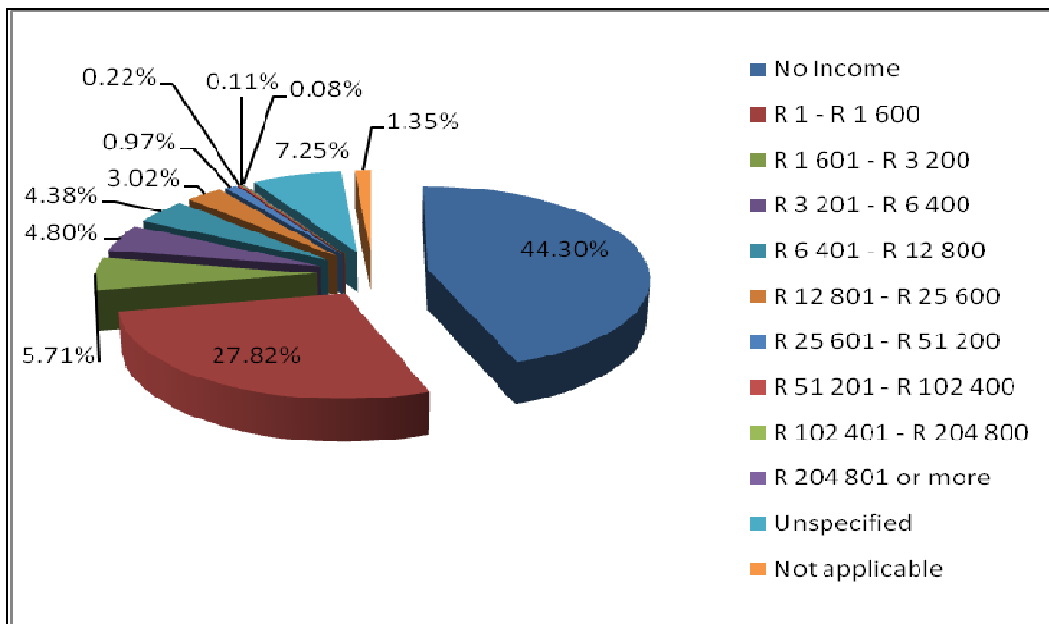
**(c) Socio-economic trends**

Key socio-economic statistics are as follows:

- Nelson Mandela Bay is the driver of the Eastern Cape economy, with 44% of provincial GGP.
- 26,29% unemployment rate (Census 2011).
- Altogether 71 794 of the total number of 276 850 formal households are classified as indigent (in terms of the indigent register of the Municipality).
- 44% of households receive at least one social grant.
- 30,8% HIV/AIDS prevalence rate.
- 3% of residents have received no schooling; 13% have passed Grade 7 or less (primary school level); while 75% have passed Grade 12 or less (secondary school level) (these figures exclude the current population of children of pre-school and school-going age; i.e. 0-19 years) (Census 2011).
- Low household income (see Figures 1 and 2).

**FIGURE 1: Household incomes (2001)**

Sources: Census 2001; Statistics South Africa

**FIGURE 2: Household incomes (2011)**

Sources: Census 2011; Statistics South Africa

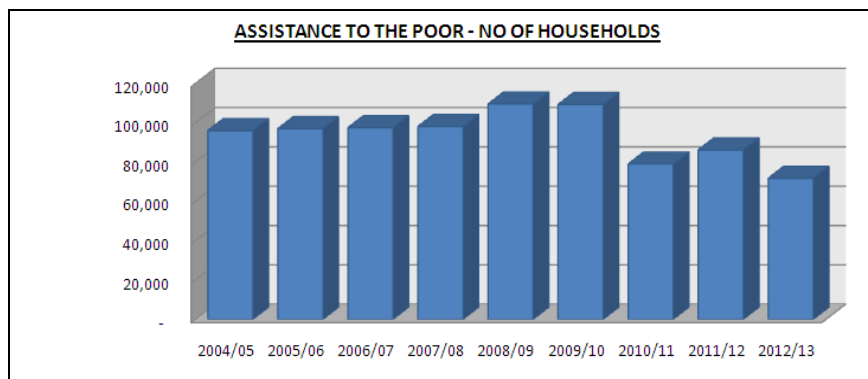
The 'No Income', 'Unspecified' and 'Not Applicable' labels in Figure 2 include residents outside the working age group of 15-65 years.

The following aspects support the information provided above and serve to illustrate the socio-economic trends in Nelson Mandela Bay.

**(d) Assistance to the Poor (ATTP)**

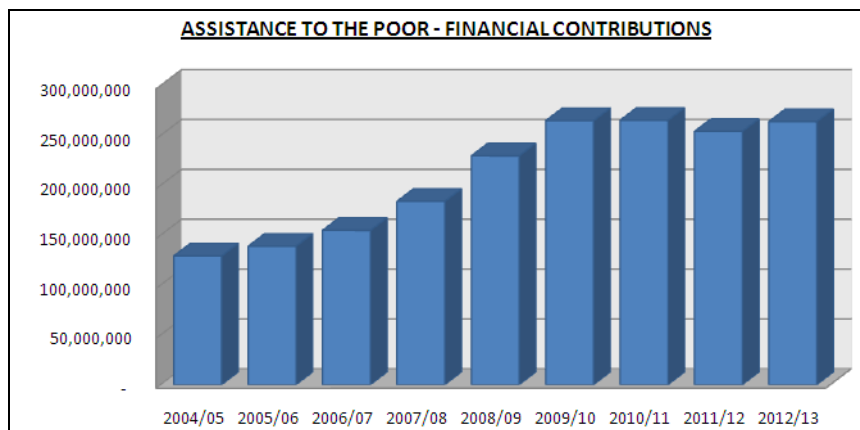
Up to the 2009/10 financial year, Nelson Mandela Bay had experienced an increase in the number of households receiving indigent subsidies from the Municipality, as reflected in Figure 3 below. However, annual verification has shown that this figure decreased substantially in the 2010/11 financial year, decreasing further in the 2012/13 financial year. This can be attributed directly to the economic downturn, which saw young adults returning to their parental homes, raising the combined total monthly income of households, thereby disqualifying families from accessing the NMBM Assistance to the Poor Scheme.

**FIGURE 3: ATTP – Number of households receiving financial assistance**



The table below illustrates the financial contributions made to indigent households in Nelson Mandela Bay, indicating the year-by-year increase.

**FIGURE 4: ATTP – Financial contributions made by the Municipality to indigent households**



### 1.2.2 MUNICIPAL FUNCTIONS

The Nelson Mandela Bay Municipality is dedicated to the provision of quality services to its residents. The Municipality is, *inter alia*, responsible for the provision of the following services:

- Integrated human settlements
- Water and sanitation
- Electricity
- Waste management services
- Stormwater drainage
- Construction and maintenance of roads

### 1.3 SERVICE DELIVERY OVERVIEW

An overview of the basic service delivery and financial performance of the institution during the 2012/13 financial year is presented below:

#### 1.3.1 Free basic services

The Municipality provides free basic services to approximately 71 794 indigent households in Nelson Mandela Bay in terms of the NMBM ATTP.

#### 1.3.2 Electricity

Altogether 100% of formal households now have access to electricity. Progress with regard to the provision of electricity is reflected below:

Type of service	2011/12 Actual	2012/13 Target	2012/13 Actual
% of all households on officially surveyed sites provided with access to electricity	100%	100%	100%

Type of service	2011/12 Actual	2012/13 Target	2012/13 Actual
Number of new erven connected to electricity	3 047 (low cost and informal housing)	4 000 (state subsidised and informal housing)	2 870
	301 (non-electrified housing)	300 (non-electrified housing)	308

### 1.3.3 Water and sanitation

Progress with regard to the provision of water and sanitation services is reflected below:

Type of service	2011/12 Actual	2012/13 Target	2012/13 Actual
% households within the urban edge provided with access to basic potable water supply within 200 m radius	100%	100%	100%
Number of new state subsidised houses provided with water connections	6470	3000	3512
Number of new state subsidised houses provided with sewer connections	6470	3000	3512

### 1.3.4 Refuse removal

Progress with regard to refuse removal over the review period is reflected below:

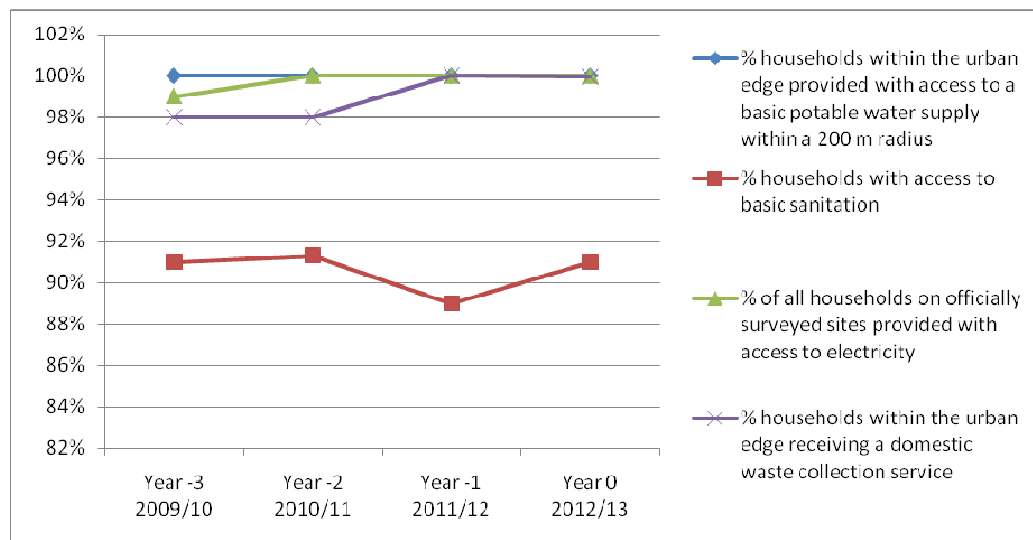
Type of service	2011/12 Actual	2012/13 Target	2012/13 Actual
% of households within the urban edge receiving a domestic waste collection service	100%	100%	99,93%

### 1.3.5 Housing and land delivery

Performance with regard to housing delivery over the review period is reflected below:

Type of service	2011/12 Actual	2012/13 Target	2012/13 Actual
Number of state subsidised housing units provided	1682	1938	1798

#### PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



#### COMMENT ON ACCESS TO BASIC SERVICES

Bucket eradication and housing delivery are arguably the biggest service delivery challenges facing the Nelson Mandela Bay Municipality. The institution has developed and implemented a Bucket Eradication Strategy, but progress in this regard has been slow as a result of the limited provincial funding provided for the construction of houses (the NMBM has identified the upgrading of informal settlements as the most sustainable way of eradicating buckets, thereby providing each household with permanent services, including waterborne sanitation).

However, because of the insufficient funding for housing subsidies provided to the NMBM, the bucket eradication process has not been completely successful, affecting the achievement of the target of upgrading all informal settlements.

To address the situation, various interim sanitation solutions are currently being procured, although the cost implications will be considerable.

Providing and accelerating service delivery, upgrading informal settlements, and changing the face of local townships all require substantial financial investments, as reflected below:

- Bucket eradication: = R3044 million (internal services and houses)
- Bulk sanitation services = R1300 million
- Bulk water services = R500 million
- Bulk stormwater = R500 million
- Tarring of gravel roads = R1800 million
- Provincial road upgrades = R700 million

At the current subsidy of approximately R97 000 per beneficiary (serviced site and top structure), it would cost upwards of approximately R7.22 billion to address the existing backlog, not including future growth demands.

## **1.4 FINANCIAL HEALTH OVERVIEW**

### **FINANCIAL OVERVIEW**

In order to provide an overview of the key successes and outcomes for the 2012/13 financial year, it is necessary to compare the Budget, the actual financial results, the actual cash inflows and outflows and the actual spending and revenue trends for the period July 2012 to June 2013.

The financial performance highlights, based on the pre-audited results, are as follows:

**Financial Performance:**

Actual operating revenue amounted to R7.28 billion, whilst actual operating expenditure amounted to R7.30 billion, resulting in an operating deficit of R23.3 million. The 2012/13 Adjustments Budget for operating revenue amounted to R7.32 billion, whilst operating expenditure amounted to R7.56 billion, resulting in a budgeted deficit of R240.86 million. Although the NMBM is still reflecting an operating deficit, it performed much better than anticipated in the 2012/13 Adjustments Budget.

The following, however, needs to be noted:

**The operating revenue was lower than anticipated in the 2012/13 Adjustments Budget, due to factors in the following areas:**

**Electricity Revenue:**

Electricity revenue raised, amounted to R2.85 billion, compared to the budgeted amount of R2.98 million. This is attributable to actual electricity consumption patterns being lower than anticipated. The lower electricity revenue is partially off-set by a decrease in the expenditure relating to bulk electricity purchases.

**Rental of facilities and equipment:**

The revenue amounted to R17.59 million, compared to the budgeted amount of R21.0 million. This means that an amount R3.42 million was not charged and/or collected. It is evident that strategies to increase this revenue source are not being effectively implemented. The relevant Directorate(s) should provide Executive Management with a status report indicating, *inter alia*, the number of rental agreements in place; whether or not they have expired; and whether they are market related.



**Fines:**

The revenue amounted to R23.08 million, compared to the budget amount of R33.81 million. This means that fines were undercollected by R10.73 million, or 32.6% of the 2012/13 Adjustments Budget. The revenue collected for the 2012/13 financial year was even lower than the amount of R23.41 million collected in the 2009/10 financial year. An appropriate report should urgently be submitted to the Management Team, outlining the strategies and plans to be implemented to address the poor performance.

**Transfer recognised – operational:**

The revenue amounted to R1.28 billion, compared to the budgeted amount of R1.44 billion. This means that R160.67 million of transfers could not be recognised as revenue.

*The following accounts for this variance:*

**Housing Top Structures** – Only R325.73 million of the budgeted amount of R414.28 million was received, leaving a balance of R88.55 million not claimed from and/or paid by the Provincial Government. The expenditure incurred, however, was R315.91 million of the budgeted amount of R414.28 million, leaving a balance of R98.36 million. This net effect indicates that the NMBM recovered approximately R9.81 million of the outstanding debtors relating to Housing Top Structures during the year. The Housing Revolving Fund's bridge-financing level as at 30 June 2013 was R130.5 million, which is much higher than the R100 million threshold determined. A formal report should be submitted to Management Team, indicating the strategies to be implemented to reduce the exposure of the Housing Revolving Fund.

**Public Transport Infrastructure Grant** - Only R149.61 million of the budgeted amount of R198.7 million was recognised as revenue, leaving an unspent amount of R49.09 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R49.09 million, it will be included in the 2013/14 Adjustments Budget.

**Expanded Public Works Programme** - Only R9.02 million of the budgeted amount of R14.7 million was recognised as revenue, leaving an unspent amount of R5.67 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R5.67million, it will be included in the 2013/14 Adjustments Budget.

**Infrastructure Skills Development Grant** - Only R3.6 million of the budgeted amount of R7.3 million was recognised as revenue, leaving an unspent amount of R3.7 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R3.7 million, it will be included in the 2013/14 Adjustments Budget. Spending of this DORA allocation remains poor. The NMBM has already forfeited R3 million, as the original DORA allocation was reduced from R5.3 million to R2.3 million during the 2012/13 financial year, which the institution can ill afford. There is a significant risk that National Treasury may reduce future DORA allocations if the grant conditions are not met.

**EU Funding – Third Tranche** - Only R127 589 of the budgeted amount of R7.7 million was recognised as revenue, leaving an unspent amount of R7.58 million. This low level of spending raises serious concerns relating to the NMBM's ability to manage and implement the EU funded programme.

**Other Services Revenue:**

Due to increased water consumption, the revenue for Water and Sanitation was R46.3 million and R19.9 million respectively in excess of the budgeted amounts.

**Interest earned** – External Investments was R24.4 million higher than anticipated. This is attributable to an increased investments portfolio.

**Interest earned** – Outstanding debtors amounted to R29.6 million more than the budgeted amount of R174.2 million. This increase is attributable to the escalation in outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

**The Operating Expenditure was lower than anticipated in the 2012/13 Adjustments Budget, due to factors around the following areas:**

**Employee related costs:**

Actual expenditure was R1.71 billion, compared to the budgeted amount of R1.79 billion, resulting in underspending of R80.5 million. The underspending is largely attributable to TASK not being implemented, vacancies not being filled, and Executive Directors not being appointed.

**Depreciation and Asset impairment:**

Actual expenditure was R709.63 million, compared to the budgeted amount of R893.82 million, resulting in an underspending of R184.2 million. Expenditure was lower than anticipated, due to a review of the respective useful lives of the relevant assets.

**Bulk purchases:**

Actual expenditure was R2.18 billion, compared to the budgeted amount of R2.23 billion, resulting in underspending of R55.7 million. The reduction in bulk electricity purchases is indicative of the negative growth that the NMBM is experiencing.

**Transfers and grants:**

Actual expenditure was R315.2 million, compared to the budgeted amount of R398.3 million, resulting in an underspending of R83.1 million. Grants to indigent consumers (ATTP) was R277.8 million only, compared to the budgeted amount of R316.2 million, due to the reduction in the total number of consumers qualifying for ATTP assistance.

**Other expenditure matters:**

The underspending on general expenditure is attributable to the lower than anticipated spending on Housing Top Structures and DORA grants.

**Conclusion:**

The above indicates that although the financial results provide a positive outcome when compared to the original and adjustments budgets, various areas require urgent management attention and should be incorporated into the scorecards of Executive Directors and in the performance management system. It is evident that stringent managerial control is required to ensure Operational Efficiencies, as the NMBM is currently not financially sustainable over the medium term. Although the NMBM's financial position has improved, it could be jeopardised if major financial risks materialise.

**Statement of Financial Position****Cash and Call investment deposits:**

The amount as at 30 June 2013 was R1.49 billion, compared to the projected amount of R970.1 million, as per the 2012/13 Adjustments Budget. Although this indicates an improved cash position, it must be noted that it includes Unspent Conditional Grants in the amount of R357,7 million, as per the 2012/13 Pre-audited Financial Statements.

**Consumer Debtors:**

The increase in consumer debtors of R120.93 million, or 25% when compared to the previous financial year is cause for concern. The debtors' collection rate of 92.6% achieved for the 2012/13 financial year contributed towards this significant increase. Debt collection requires urgent attention in order to improve the financial sustainability of the Municipality.

**Provisions:**

The provisions to be made for Post-retirement benefits, Rehabilitation of Land-fill Sites, etc. are placing pressure on the NMBM's cash resources, as the growth in the total provisions over the last number of years has been considerable. The level of current provisions increased from R48.4 million in 2009/10 to R204.4 million in the 2012/13 financial year. Furthermore, non-current provisions increased from R1 billion in 2009/10 to R1.61 billion in 2012/13. Growth in manpower, as well as above-inflation salary and general

expenditure increases impacted significantly on these current and non-current liabilities.

**Unspent conditional grants:**

It is to be noted that unspent conditional grants decreased from R441.5 million in the 2011/12 financial year to R357,7 million in the 2012/13 financial year. The risk remains that National Treasury may not necessarily approve the roll-over of unspent conditional grants to the 2013/14 financial year. Improved spending patterns on conditional grants are considered extremely important, as they may influence future National Treasury allocations to the Municipality.

**Conclusion:**

The statement of financial position reflects an improved financial position. It is considered important that the collection of outstanding debtors be prioritised to improve the financial sustainability of the Municipality. Furthermore, operational efficiencies must be embedded in the operations of the Municipality. The efficient spending of all grant funding must be adequately managed by Executive Directors and should be included in the Performance Management System of the NMBM.

The financial ratios were discussed in paragraph 1.4.3. In general, the ratios indicate improvement from the previous financial years:

<b>Description</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Liquidity ratio	0.3	0.2	0.5	0.7
Cost coverage	1.6	0.9	2.4	2.9
Total outstanding service debtors	20.6%	13.7%	11.9%	12.9%
Debt coverage	17.9 times	17.9 times	17.6 times	20.1 times
Creditors systems efficiency	82.9%	84.0%	84.0%	55.0%

Description	2009/10	2010/11	2011/12	2012/13
Capital charges to operating expenditure	2.9%	4.2%	4.1%	4.1%
Employee costs	31.1%	32.4%	27.7%	23.5
Repairs and maintenance	7.8%	7.1%	6.5%	6.6%

From the above, it is evident that the NMBM is not financially sustainable over the medium term, although it is strongly moving towards such a position. It is suggested that the targets for the aforementioned ratios be reviewed and incorporated into the IDP and Budget in the 2014/15 MTREF, subject to Council approval. The creditors system's efficiency levels are attributable to the ineffective management of the creditors payment process.

It is evident from the above ratios that the NMBM cannot financially afford to take up borrowing over the period 2013/14 to 2015/16, as the ratios are not favourable to support such an action. It is also important to note that if borrowing is taken up in the future, it should only be utilised for cash generating assets that will ensure revenue in excess of the cost of taking up such borrowing.

Achieving improved ratios should contribute positively towards the credit rating of the NMBM, which will in turn positively contribute towards investment into the City and lower borrowing, based on lower perceived financial risks.

Financial Overview: Year 0			
			R000
Details	Original budget	Adjustments Budget	Actual
Income:			
Grants	1,361,248,310	1,438,252,570	1,277,588,340
Taxes, levies and tariffs	5,025,666,970	4,957,857,690	4,933,491,145
Other	851,044,490	925,354,620	1,067,952,532
Sub-total	7,237,959,770	7,321,464,880	7,279,032,017
Less: Expenditure	7,364,311,690	7,562,321,070	7,302,322,100
Net total*	-126,351,920	-240,856,190	-23,290,083
* Note: surplus/(deficit)			T 1.4.2

**COMMENT ON OPERATING RATIOS:****Liquidity Ratio:**

The liquidity ratio reflects the monetary assets, divided by current liabilities. The ratio shows an improvement from 0.2:1 to 0.7:1 from the 2010/11 to the 2012/13 financial years. It indicates that the NMBM is slowly recovering from the cash challenges experienced in the 2010/11 financial year. The NMBM must, however, achieve a ratio of at least a 1:1 to be considered financially sustainable, which will contribute to ensuring a cost coverage ratio above the required three months period. The main factors influencing the ratio is the improvement in Cash and Cash equivalents, which increased by R1.06 billion from R428.8 million in 2010/11 to R1.49 billion in 2012/13. Current liabilities increased by R173,4 million only from R2.06 billion in 2009/10 to R2.23 billion in 2012/13. The slow increase is supported by a decrease in unspent conditional grants over the same period.

**Cost coverage:**

The cost coverage ratio closely follows the trends observed in the liquidity ratio. The cash flow challenges experienced during 2009/10 to 2010/11 is clearly reflected in the low ratios of 1.6 months and 0.9 months, respectively. However, the ratio improved significantly to 2.4 months and 2.9 months respectively, for the 2011/12 and 2012/13 financial years. It is important to note that the unspent conditional grants decreased from R441.5 million in 2011/12 to R357.7 million in 2012/13, which indicates that the cash flow position has improved over the 2011/12 to 2012/13 period. The cash position is, however, not sufficient at this stage to replenish the Capital Replacement Reserve.

**Total outstanding Service Debtors:**

The ratio decreased from 20.6% in 2009/10 to 12.9% in 2012/13. This trend must be viewed with caution. The gross outstanding service debtors increased from R1.743 billion in 2011/12 to R2.179 billion in 2012/13, as a result of the lower debtors' collection rate of 92.6%, compared to budgeted debtors' collection rate of 95%. This increase occurred despite large amounts

of outstanding debts being written off each year. The provision for doubtful debts had to be adjusted from R1.266 billion to R1.579 billion. The provisioning levels do not enhance a sustainable financial position, as 72.6% of gross debtors for 2011/12 and 72.5% for 2012/13 are considered to be doubtful. Debt collection must therefore be prioritised to improve the financial sustainability of the Municipality.

**Debt coverage:**

The ratio improved positively over the last financial year from 17.6% in 2011/12 to 20.1% in 2012/13. It remained constant over the period 2009/10 to 2011/12, at an average of approximately 17.9%. This improvement is attributable to the fact that no external borrowing was raised as from the 2011/12 financial year. In order to ensure financial sustainability over the medium to long term, the NMBM should not take up any external borrowing for at least the period 2013/14 to 2015/16. Thereafter, external borrowing could possibly be considered for revenue generating assets so as to offset the costs of borrowing.

**Creditors System Efficiency:**

A ratio of 55% indicates that the NMBM is not performing at an acceptable level and is therefore not legislatively compliant. Management reports are prepared on a monthly basis, indicating the total days each directorate takes to process payments from the date of receipt of the invoice. Most directorates are in excess of the legislative timeframes of processing payments within 30 days from the date of receipt of the invoice. This ratio does not reflect the efficiency of the Creditors Section *per se*, but measures the efficiency of the payment process from the date of receipt of the invoice by the each directorate until the processing of the payment through the creditors payment system. Scorecards of Executive Directors should incorporate the legislative timeframes for processing payments.

**Capital Charges to Operating Expenditure:**

The ratio increased from 2.9% in 2009/10 to 4.2% in the 2010/11 financial year due to the taking up of external borrowing of R745 million in 2008/09 and R470 million in 2009/10. The ratio has remained constant at 4.1% over the



period 2010/11 to 2011/12, but will decrease over the MTREF, as no external borrowing will be taken up.

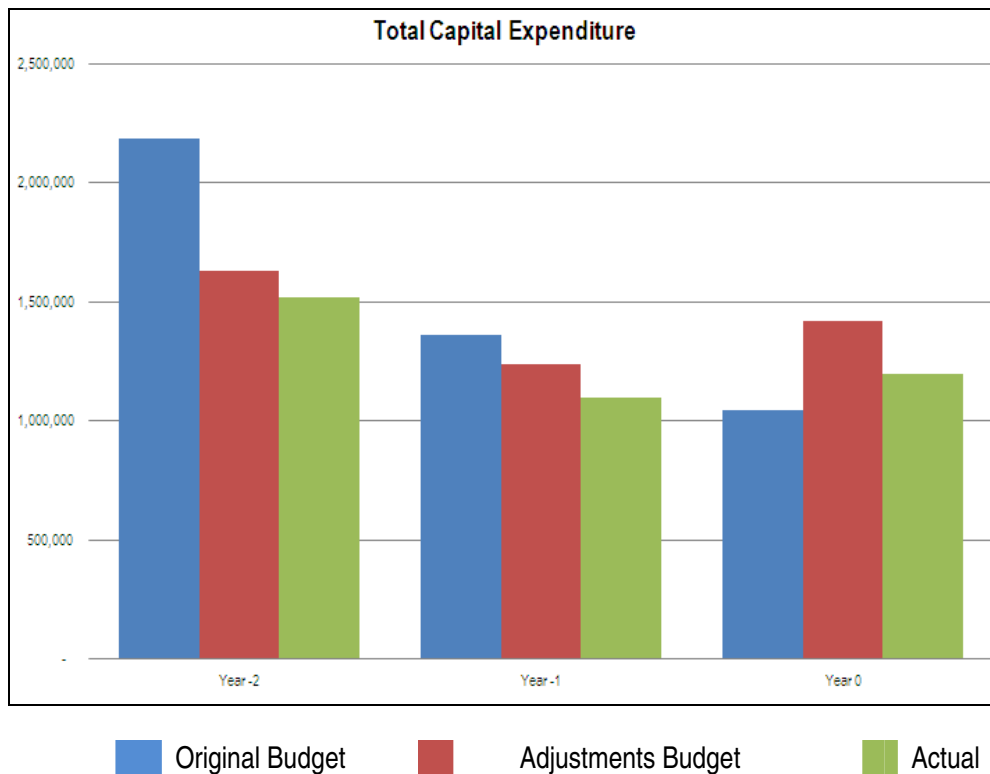
### **Employee costs**

Employee costs as a percentage of operating revenue decreased from 32.4% in the 2010/11 financial year to 23.5% in 2012/13. National Treasury has stated that there is no benchmark for employee costs for municipalities, as they operate under different circumstances. Considering the current financial position of the NMBM, the target for this ratio should be revisited. Financial pressures such as TASK implementation, the filling of vacancies and the finalisation of the new organisational structure will be significant factors to manage over the MTREF.

### **Repairs and Maintenance:**

In the last three years, the ratio has stabilised between 6% and 7%. Considering the backlog in maintaining infrastructure, it is evident that this ratio should at least be at a 10% level. At this stage, the Municipality's cash position is unable to support a level in excess of 7%. Alternative strategies and/or funding mechanisms needs must be developed to address the eradication of infrastructure maintenance backlogs. The main risks associated with a low repairs and maintenance ratio is that assets' expected useful lives will decrease, resulting in the earlier replacement of assets, for which inadequate financial capacity exists within the NMBM's current revenue base.

<b>Total Capital Expenditure: Year -2 to Year 0</b>			
			<b>R000</b>
<b>Detail</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>
Original Budget	2,183,123	1,360,007	1,039,459
Adjustments Budget	1,626,634	1,234,602	1,413,976
Actual	1,517,496	1,096,993	1,194,718
			T 1.4.4



### COMMENT ON CAPITAL EXPENDITURE

The increase of R374,5 million from the Original to the Adjustments Budget is attributed to accounting for the carry-over of unspent conditional grants (IPTs, Drought Relief and European Union Funding). The underspending of R219 million, based on the Adjustments Budget, can be accounted for as follows:

Late award of contracts attributed to the underperformance related to Integrated Public Transport projects. A court interdict with regard to the APTMS (Advanced Passenger Transport Management System) also prevented planned expenditure on ICT infrastructure.

Spending the European Union Funding in terms of the Adjustments Budget required detailed planning to be completed in respect of the additional roads to be constructed. This caused Supply Chain processes to commence far too late in the financial year, and therefore construction could not commence in 2012/13 (Year 0) – construction will commence in 2013/14 (Year 1).

## **1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW**

The Municipality has a workforce of approximately 6 125 permanent employees and 510 temporary employees.

All senior managerial positions in terms of Section 56 are currently vacant, including the position of City Manager. Most of the aforementioned senior managerial positions have been vacant for more than a year. Acting appointments have been made in the vacant Section 56 positions. However, these may only be made by Council for a period not exceeding three months. Council may, however, in special circumstances and on good cause shown, apply in writing to the MEC for Local Government to extend the period of appointment for a further period, not exceeding three months. It should, however, be noted that the extended period of acting appointments does not augur well for stability and continuity in the institution. Furthermore, there is a lack of sufficient capacity and drive to properly implement the Integrated Development Plan and Budget.

### **(a) Staff development initiatives during financial year**

A total of 2 253 employees participated in different learning programmes and interventions during the 2012/13 financial year in terms of the Workplace Skills Plan submitted to LGSETA on 30 June 2013.

During the 2012/13 financial year, 54 unemployed graduates and experiential learners received training in various fields. A total of 140 employed and 500 unemployed persons participated in Adult Basic Education and Training (ABET). Furthermore, 20 bursaries in scarce skills areas were awarded to unemployed persons, while 185 employees are currently beneficiaries in the Employee Bursary Scheme.

**(b) Trends in personnel expenditure**

As reflected in the table below, the Municipality has managed to contain personnel expenditure at an acceptable rate.

<b>Financial years</b>	<b>Total number of staff</b>	<b>Total approved Operating Budget</b>	<b>Personnel expenditure (salary and salary related)</b>	<b>Percentage of expenditure</b>
2006-2007	6 252	3,154,010,310	1,036,653,107	32.86%
2007-2008	6 225	5,145,054,890	1,264,406,908	24.57%
2008-2009	6 473	4,401,649,240	1,286,490,950	29.10%
2009-2010	6 497	5 208 008 400	1 641 282 392	31.51%
2010-2011	7 015	6 035 990 570	1 893 081 855	31.36%
2011-2012	6 594	6 605 474 000	1 858 808 571	28.14%
2012-2013	6 635	7 339 087 000	1 775 934 000	24,20%

**(c) Employees' pension and medical aid**

Information with regard to employees' pension and medical aid is reflected below.

<b>Names of Pension Fund</b>	<b>Number of members</b>	<b>Names of medical aid societies</b>	<b>Number of members</b>
Cape Joint	2871	LA Health	1528
SALA	3076	Bonitas	1805
SAMWU Provident Fund	91	KeyHealth	305
		Hosmed	442
		SAMWU Medical Aid	985

**1.6 AUDITOR-GENERAL's REPORT**

This Section is to be completed upon receipt of the Audit Report from the Auditor-General in respect of the 2012/13 financial year.

## 1.7 STATUTORY ANNUAL REPORT PROCESS

NO.	ACTIVITY	TIMEFRAME
1	Drafting and submission of the 2014/15 IDP and Budget Time Schedule to Council.	July 2013
2	Finalisation of the Fourth Quarter Report for the 2012/13 financial year.	July 2013
3	Submission of the Fourth Quarter Report for the 2012/13 financial year to Internal Audit.	August 2013
4	Drafting and submission of first Draft 2012/13 NMBM Annual Report to Internal Audit and Auditor-General.	September 2013
5	Submission of unaudited NMBM 2012/13 Annual Report to Council structures.	September 2013
6	Executive Mayor tables unaudited NMBM 2012/13 Annual Report in Mayoral Committee and Council.	October 2013
7	Auditor-General audits Annual Report, including Consolidated Financial Statements and Performance Data.	October 2013
8	Receipt of Auditor-General's Audit Report and commencing with addressing findings.	November 2013
9	Executive Mayor tables NMBM 2012/13 Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	November 2013
10	Audited NMBM 2012/13 Annual Report is made public and representation invited.	November 2013
11	Municipal Public Accounts Committee assesses the NMBM 2012/13 Annual Report.	November 2013
12	Council adopts Oversight Report on 2012/13 Annual Report.	December 2013
13	Oversight Report is made public.	December 2013

NO.	ACTIVITY	TIMEFRAME
14	Oversight Report is submitted to relevant Province and National.	December 2013
15	Commencement of draft Budget/IDP finalisation for next financial year (Annual Report and Oversight Report used as input).	January 2014

**Note: The above stated statutory Annual Report Process Timeline will be achievable only on the timeous receipt of the Audit Report from the Auditor-General. Any delay in the receipt of the Audit Report will have a negative impact on the Annual Report Process Timeline.**

## **CHAPTER 2**

# **GOVERNANCE**

### **INTRODUCTION**

The Nelson Mandela Bay Municipality is committed to transparent and accountable governance. The broad range of public participation programmes and processes, especially related to its IDP and Budget, bears testimony to the institution's commitment to involve its communities in its planning and decision-making processes.

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The Council of the Nelson Mandela Bay Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component.

#### **2.1 POLITICAL GOVERNANCE**

##### **2.1.1 Council**

The Council has 120 seats (60 Proportional Representative (PR) Councillors and 60 Ward Councillors). The Speaker, Cllr M Hermans, is the Chairperson of Council.

**Speaker of Council**

**Cllr M Hermans**



The party-political and demographic representation of Councillors is reflected in the table below:

POLITICAL PARTY	ALLOCATION OF SEATS	GENDER DISTRIBUTION	
		MALE	FEMALE
African National Congress	63	39	24
Democratic Alliance	48	34	14
COPE	6	4	2
United Democratic Movement	1	1	0
African Christian Democratic Party	1	1	0
Pan Africanist Congress	1	1	0
<b>TOTAL</b>	<b>120</b>	<b>80</b>	<b>40</b>

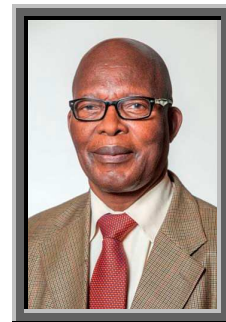
The Council is fully functional, and Council and Standing Committee meetings are held on a regular basis. Seventeen (17) Council meetings were held in the 2012/13 financial year, as against the scheduled number of ten (10).

### 2.1.2 Executive Mayoral System

The Nelson Mandela Bay Municipality is governed in terms of an Executive Mayoral Committee System. The Executive Mayor, Cllr N B Fihla, governs together with the Deputy Executive Mayor, Cllr T Ngcolomba and a team of eight (8) Chairpersons of Portfolio Committees within an Executive Mayoral Committee system.

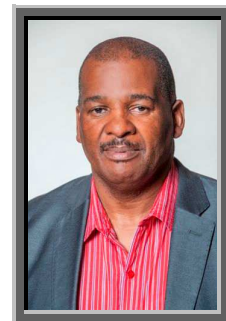
**Executive Mayor**

**Cllr N B Fihla**



**Deputy Executive Mayor**

**Cllr T Ngcolomba**

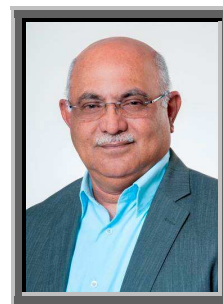




The Standing Committees and relevant Chairpersons are reflected below:

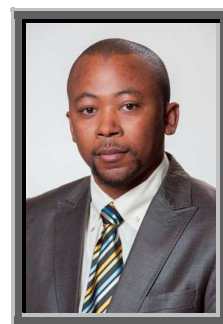
**(a) Budget and Treasury**

**Cllr B Naran**



**(b) Human Resources and  
Corporate Administration**

**Cllr W Jikeka**



**(c) Economic Development,  
Tourism and Agriculture**

**Cllr B Lobishe**



**(d) Human Settlements**

**Cllr M Mkavu**



(e) **Infrastructure, Engineering,  
and Energy** **Cllr A Mfunda**



(f) **Public Health** **Cllr P Ndlovu**



(g) **Sport, Recreation, Arts  
and Cultural Services** **Cllr N Magopeni**



(h) **Safety and Security** **Cllr T Mafana**



In addition, the Municipality also has a **Constituency Co-ordinator**:

**Cllr F Desi**



### **2.1.3 Whippersy**

The Municipality has a functional Whippersy System in place. The Office of the Chief Whip operates in close collaboration with the Whips from the other political parties.

The Chief Whip of the Nelson Mandela Bay Municipality is:

**Cllr J Seale**



### **2.1.4 Municipal Public Accounts Committee (MPAC)**

The Municipality has a functional Public Accounts Committee (MPAC) in place, which fulfils an oversight role in respect of the institution's performance, both at executive and administrative levels, specifically regarding the institution's annual report, in respect of which it produces an Oversight Report.

MPAC consists of members from the ANC, the DA and a minority party, comprised as follows:

- African National Congress – 7 members
- Democratic Alliance – 5 members
- Minority party (Congress of the People) – 1 member

### 2.1.5 Other key Council governance structures

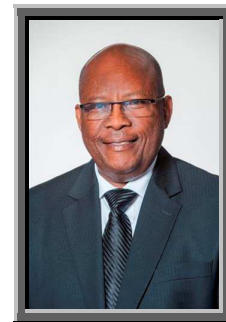
- (a) *Audit Committee:* The Municipality has a functional Audit Committee in place, guided by an Audit Committee Charter.
- (b) *IGR Forum:* The Municipality has launched an IGR Forum, which focuses on improving intergovernmental relations between the various spheres of government.
- (c) *Cluster System:* The Municipality has a cluster system in place to promote integration, coordination and cohesion in the institution. The three clusters are: the Service Delivery Cluster; the Governance and Administration Cluster; and the Socio-economic and Safety Cluster.

## 2.2 ADMINISTRATIVE GOVERNANCE

The City Manager is the head of the administration and Accounting Officer of the institution.

**Acting City Manager**

**Mr M Mbambisa**



The City Manager is supported by the Chief Operating Officer, the Chief Financial Officer, the Chief of Staff and the Executive Directors heading the following directorates:

- (a) Infrastructure and Engineering
- (b) Electricity and Energy
- (c) Human Settlements
- (d) Public Health

- (e) Safety and Security
- (f) Economic Development and Recreational Services
- (g) Corporate Services
- (h) Special Programmes

The political leadership and the administration complement each other in implementing Council resolutions and key municipal programmes and plans, such as the IDP.

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

As enshrined in the Constitution, the Nelson Mandela Bay Municipality has adopted a democratic model of cooperative governance, which provides the foundation for its intergovernmental relations. Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way.

## **2.3 INTERGOVERNMENTAL RELATIONS**

### **2.3.1 National Intergovernmental Structures**

The External Relations Unit participates in the Consultative Forum on International Relations (CFIR). The CFIR is an inter-governmental co-ordinating structure comprising senior officials from all three spheres of government and other relevant stakeholders that meets twice annually to ensure proper information sharing and coordination. As such, it provides measures and guidelines for the enhanced coordination of South Africa's international engagements.

The objective/purpose of this Consultative Forum is:

- Information sharing: Sharing of information regarding all stakeholders' international involvements, i.e. policy statements, visits abroad, conferences, summits and incoming visits.
- Foreign policy guidance on international issues.
- Planning and co-ordination of international visits (incoming and outgoing).
- Discussion of pressing issues to enable Government to convey information on key foreign policy issues to various levels of government, in a consistent and principled manner.
- Possible private sector/civil society engagement and national outreach programmes.

This Forum is not a policy-making mechanism (policy remains the mandate of the International Cooperation, Trade and Security (ICTS) Cluster). In fact, the CFIR has sprung from and provides feedback to the ICTS Cluster.

### **2.3.2 Provincial Intergovernmental Structures**

The NMBM External Relations Unit participates in the East Cape Consultative Forum on International Relations and Cooperation, coordinated and supported by the Office of the Premier. The Forum emulates the National CFIR Forum and shares information with local authorities on matters discussed at the CFIR. It seeks to mitigate against the risk in the management of international relations in the Province by creating a shared responsibility amongst stakeholders, thus creating a shared vision and information on international activity in the Province in order to promote shared implementation of best practices. It also seeks to leverage on existing nodes of concentrated international relations capacity in the Province, but also seeks to build a platform for international relations and official development assistance (ODA), capacity and competency in the Province.

#### Inter-municipal partnerships:

A key priority of the Municipality is to share experiences, knowledge and support with its surrounding municipalities. In this regard, the Municipality has concluded partnerships with Nxuba and Cacadu, as well as a co-operative arrangement with the Sunday's River Municipality.

The Municipality is currently engaging with the eThekweni Municipality on entering into a formal agreement to establish a relationship focusing on areas of mutual interest. These kinds of partnerships provide an opportunity for sharing expertise, providing support and benchmarking and sharing best practices.

#### **2.3.3 Relationships with Municipal Entities**

The Mandela Bay Development Agency (MBDA), the Municipality's developmental arm, was established in 2004 as a municipal entity. Over the past nine years, the MBDA has implemented a number of urban renewal projects, precinct upgrades, security and cleansing programmes and other strategic and *ad hoc* assignments that are collectively changing the face of the City and reinvigorating economic life in its central business districts.

More recently, the mandate to the MBDA has been expanded to include the rejuvenation of neglected township areas, from the initial focus on central business districts only. MBDA reports to the Nelson Mandela Bay Municipality through its Board of Directors and CEO by way of regular (monthly) report-back meetings with the City Manager/Executive Director: Economic Development and Recreational Services. In line with the MFMA and MSA, the MBDA compiles quarterly, mid-term and annual performance reports, which are channeled, together with corresponding institutional reports, to the relevant municipal structures for oversight purposes.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

In order to realise its aim of being a responsive, caring, transparent and accountable service delivery institution, the Municipality is committed to public engagement and participation in planning and decision-making processes. In this regard, it has established a broad spectrum of engagement and consultation programmes and platforms aimed at the various communities, social partners and interest groups it serves. Many of these activities are coordinated through the NMBM Constituency Coordinator's Office, through the following structures:

- (a) *Children's Forum*: Mainly composed of children from different interest groups.
- (b) *Children's Advisory Council*: Composed of representatives from organisations representing children, youth, and women; NGOs; NPOs; Children's Rights Specialists; Public and Private Sector organisations; Media institutions; and Religious, Academic and Professional , associations/institutions; and organisations focusing on Sports, Arts, Recreation and Culture.
- (c) *Gender and Women Empowerment Forum*: This Forum comprises various professional and non-professional bodies, including Public and Private Sector representatives and Women and Gender Organisations.
- (d) *People with Disabilities Forum*: This Forum comprises various Specialists, Organisations of and for persons with disabilities and Public and Private Sector representatives.
- (e) *Older Persons' Forum*: This Forum comprises retired professionals, NGOs, NPOs, as well as Public Sector and Private Sector Representatives.
- (f) *Youth Council*: This Council comprises youth from NGOs, NPOs, Business, Student, Education, Professionals and political youth formations.



- (g) *Young Women's Network*: The network comprises many interest groups from NGOs, Business, Professionals, Entrepreneurs, etc.
- (h) *Cluster Coordinating Committees*: These Committees facilitate and coordinate communication and contact on matters related to the NMBM Council and communities, including organising iconic dates and community participation activities, such as service delivery programmes and launches.

**Statistics for Annual Report: 1 July 2012 – 30 June 2013**

Month	Date of meeting	Purpose of Meeting	Venue	Number of people in attendance
<b>JULY 2012</b>				
July 2012	03 July 2012	Older Persons' Forum meeting	Noninzi Luzipho Building	10
	19 July 2012	Older Persons' Forum Meeting	Noninzi Luzipho Building	10
	26 July 2012	Children's Advisory Council Meeting	2 <sup>nd</sup> floor Boardroom, Noninzi Luzipho Building	33
<b>AUGUST 2012</b>				
August 2012	01 August 2012	Children's Advisory Council Meeting	Noninzi Luzipho Building	18
<b>SEPTEMBER 2012</b>				
September 2012	10 September 2012	Meeting on Youth Entrepreneurship Training	4 <sup>th</sup> Floor Boardroom, Noninzi Luzipho Building	15
	13 September 2012	Outreach meeting	Raymond Mhlaba Sports Centre, Motherwell	49
	14 September 2012	Outreach meeting	Daku Hall	49
	15 September 2012	Outreach meeting	Uitenhage Town Hall	31
	17 September 2012	IPTS Bilateral meeting with Walmer Stakeholders	Councillor's Office – Walmer	16
	18 September 2012	Special Sectors Policy Workshop	Woolboard Exchange, Military Road	66

Month	Date of meeting	Purpose of Meeting	Venue	Number of people in attendance
	19 September 2012	Older Persons' Forum Meeting	Noninzi Luzipho Building	10
	19 September	Meeting with ABET Service Providers	NMBM Training Centre , Walmer	12
	20 September 2012	SPU-CAC Meeting in partnership with Khula Community Project	Room 307, Noninzi Luzipho Building	8
	21 September 2012	Skills Development Employment Equity Focus Group	3 <sup>rd</sup> Floor, Noninzi Luzipho Building	14
	28 September 2012	Constituency Services with IDP Office	Algoa House Boardroom	9
<b>OCTOBER 2012</b>				
	02 October 2012	Special Programs Unit meeting on HR Matters	1 <sup>st</sup> floor, Noninzi Luzipho	9
	02 October 2012	Special Programs Unit meeting with Focus Group	1 <sup>st</sup> Floor, Noninzi Luzipho	9
	02 October 2012	Meeting with Ward Committee Unit on IDP Budget time	First Floor, Noninzi Luzipho	6
	10 October 2012	Children's Consultative Session / Dialogue Programme	Daku Hall	50
	11 October 2012	Community Responsiveness to Children's rights	Daku Hall	132
	12 October 2012	Social Needs Cluster	DSRAC, 1 <sup>st</sup> Floor Boardroom	7
	30 October 2012	NMM Older Persons' Forum Consultative Workshop	Summerstrand Inn	20

Month	Date of meeting	Purpose of Meeting	Venue	Number of people in attendance
<b>NOVEMBER 2012</b>				
	5 November 2012	Launch of People with Disabilities (PWD) Forum	Walmer Town Hall	47
	7 November 2012	Iconic Dates Preparatory Meeting	City Hall	38
	13 November 2012	Meeting of Indigenous Games Coordinators	1 <sup>st</sup> Floor, Noninzi Luzipho Building	17
	20 November 2012	Social Cluster Meeting	Ground floor, Noninzi Luzipho Building	6
<b>DECEMBER 2012</b>				
	6 December 2012	International Day of People with Disabilities	Sizakele Khonzi	103
<b>FEBRUARY 2013</b>				
	21 February 2013	Meeting with Youth Representatives on Social Dialogues	Ground Floor Boardroom, Noninzi Luzipho Building	7
	28 February 2013	NMBM-NYDA Social Dialogues Preparatory Meeting	Ground Floor Boardroom, Noninzi Luzipho Building	15
<b>MARCH 2013</b>				
	12 March 2013	Meeting on State of Readiness for IDP /Budget Participation Programme with Service Providers	Ground Floor, Noninzi Luzipho Building	14
	13 March 2013	Youth Structures meeting	Ground Floor, Noninzi Luzipho Building	46
	22 March 2013	Assessment of Women's Day and Human Rights Day	First Floor Boardroom, Noninzi Luzipho Building	17
<b>APRIL 2013</b>				
	4 April 2013	IDP/Budget Review Meeting	2 <sup>nd</sup> Floor Boardroom, Noninzi Luzipho Building	11

<b>Month</b>	<b>Date of meeting</b>	<b>Purpose of Meeting</b>	<b>Venue</b>	<b>Number of people in attendance</b>
	10 April 2013	Meeting with EDRS (Support for SMMEs)	EDRS Boardroom	7
	10 April 2013	Freedom Day Preparatory meeting	George Botha Hall	18
	17 April 2013	Older Persons' Forum Meeting	2 <sup>nd</sup> Floor Board Room, Noninzi Luzipho Building	12
	18 April 2013	Freedom Day Preparatory Meeting	Rm 101, Noninzi Luzipho Building	8
	23 April 2013	Freedom Day Preparatory Meeting	Bhola Punch	31
<b>MAY 2013</b>				
	2 May 2013	Meeting with Service Providers Freedom Day Celebrations	Second Floor Boardroom, Noninzi Luzipho Building	7
	2 May 2013	Meeting with Aged in Action	Room 101, Noninzi Luzipho Building	6
	3 May 2013	Youth Day Preparatory Meeting	Ground floor Boardroom, Noninzi Luzipho Building	8
	24 May 2013	Meeting with Sectors – Motsepe Fund	City Hall	43
	28 May 2013	Northern Areas Older People's Forum (OPF) Launch	Gelvandale Community Centre	
	31 May 2013	International Children's Day / Child Protection Week	George Botha Community Centre	72
<b>JUNE 2013</b>				
	13 June 2013	Panel Discussion on Youth Day	Raymond Mhlaba Sports Centre	85
	24 June 2013	Mediation meeting	Ward 24 Councillor's Office	7
	25 June 2013	Special Programmes Unit (SPU) Staff meeting	4 <sup>th</sup> Floor, Boardroom, Noninzi Luzipho Building	8

<b>Month</b>	<b>Date of meeting</b>	<b>Purpose of Meeting</b>	<b>Venue</b>	<b>Number of people in attendance</b>
	29 June 2013	Youth Day Evaluation meeting	Noninzi Luzipho Building, Room 101	5

Community Development Workers and Youth Development Practitioners play a critical role in ensuring that the services of government and Council reach local communities, through outreach sessions, door-to-door campaigns, services on wheels and report-back sessions, facilitating and consulting with Ward Councillors and the Constituency Coordinator's office on a regular basis.

#### Intergovernmental Relations

The NMBM Constituency Coordinator's Office has established strategic collaborative programmes and the integrated coordination of activities associated with service delivery programmes.

This strategic relationship was established with the Office of the Premier and Government Communication and Information System (GCIS).

This collaborative cooperation was also extended to provincial and national departments, as well as some state-owned enterprises and entities, such as the Coega Development Corporation, Transnet, Spoornet, SASSA, NYDA and others.

In addition, clusters were established with closely related departments that share integrated service delivery provision to communities. Functional clusters that succeeded in hosting joint programmes include the Social Cluster (Education; Social Development; Health; Sports, Arts, Recreation and Culture, including SASSA); the Justice and Crime Prevention Cluster (Correctional Services, Justice, Safety and Liaison); as well as the Economic Cluster (Roads and Public Works; Public Works; Trade and Industry; Economic Development, Environmental, Tourism and Agriculture).

The collaborative cooperation with the above-stated institutions revolved around the following:

- (i) Marking and celebration of Annual National Pride and Observance days, such as International Women's Day, International Day of Older Persons, International Day of Disabled Persons, Freedom Day and National Youth Day.
- (ii) Holding and coordinating community meetings, especially for information dissemination and feedback.
- (iii) Hosting awareness raising activities, such as on the rights of the blind and issues regarding people with disabilities, youth, women, children and older persons.
- (iv) Operationalising the NMBM Communicators Forum with the involvement of external stakeholders from civil society.
- (v) Facilitating and organising public hearings in close liaison with Parliamentary Constituency Offices and the Public Participation Units at the Provincial and National Legislatures.
- (vi) Organising and facilitating Executive Council and Minister's Public Participation activities, including safety campaigns, as well as anti-crime and anti-mob justice campaigns.

## **2.4 PUBLIC MEETINGS**

The Municipality has a broad spectrum of consultative and participatory public programmes in place to ensure community participation in municipal planning and decision-making processes. In addition, awareness campaigns are held throughout the year to provide vital information to local communities, for example, on how they may access municipal services and support programme, such as the Assistance to the Poor (ATTP) Scheme, and conserve water and electricity. These meetings provide communities with the opportunity to interact and share their concerns and complaints with the leadership and administration of the Municipality. Key in the Municipality's Public Participation Programme are IDP/Budget and Annual Performance meetings, which are usually scheduled after hours (18h00) to allow the maximum number of members of the public to attend. Meetings are arranged

on a ward cluster basis, each meeting serving two to four wards, depending on the size of the wards. Attendance varies greatly, from 30 to 350 persons per session. All public participation programmes, meetings, events and relevant key municipal documents (i.e. IDP, SDBIP, Annual Report, Municipal Policies and By-laws) and systems (i.e. GIS and IPTS) are published on the municipal website. The institution's service delivery orientated community magazine (*Ubuntu*) provides residents with the latest information on municipal services, programmes and projects.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of participating municipal Councillors	Number of participating municipal administrators	Number of community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/ Budget Review and tabling of 2011/12 Annual Report	25-27 March 2013	105	339	1835	Yes	25 April 2013 (Adoption of 2013/14 Draft IDP)
IDP and Budget Review	6-20 May 2013	113	385	1952	Yes	07 June 2013 (adoption of final 2013/14 IDP) and commencement of its implementation on 1 July 2013.

## WARD COMMITTEES

The Nelson Mandela Bay Municipality did not have a functional Ward Committee System in place during the review period.

A Draft Policy on the establishment and implementation of Ward Committees was submitted to a Council meeting in December 2012. Council resolved to establish a Task Team to *inter alia* interrogate the Policy, to effect any necessary amendments. The Committee completed its work and a Draft Policy is now *en route* to Council for consideration. Once the Policy has been adopted by Council, the implementation plan will be rolled out and Ward Committees will be established.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome, input and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	No
Do the KPIs in the IDP align to Section 57 Managers?	Yes
Do the KPIs in the IDP lead to functional area KPIs, as per the SDBIP?	Yes
Do the KPIs in the IDP align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes (SDBIP made public on municipal website)
Were the four quarter aligned reports submitted within stipulated timeframes?	Reports for Quarters 1, 2 and 4 were submitted within stipulated timelines; Quarter 3 report was delayed, because the institution was addressing backlog on annual performance evaluations
* Section 26 of Municipal Systems Act 2000 <span style="float: right;">T 2.5.1</span>	

### **COMPONENT D: CORPORATE GOVERNANCE**

#### **OVERVIEW OF CORPORATE GOVERNANCE**

The Municipality has prioritised good and ethical corporate governance. In this regard, it has a functional Risk Management Unit and a Risk Management Policy; an Internal Audit and Risk Assurance Division, and an Anti-Fraud and Anti-Corruption Strategy in place.



## **2.6 RISK MANAGEMENT**

Successes and failures in responding to risks are often the result of an organisation's rigor in applying risk management principles and its agility in adjusting to a changing environment. To effectively uncover such risks, resources need to be sensitised and focused on identifying the broad realm of potential as well as emerging risks. To this end, benefits to be obtained by employing Enterprise Risk Management within the NMBM include the following:

- Aligning risk appetite and strategy
- Enhancing risk response decisions
- Reducing operational surprises and losses
- Identifying and managing multiple and cross-enterprise risks
- Seizing opportunities
- Improving deployment of capital

In order to implement and embed Enterprise Risk Management within the Nelson Mandela Bay Municipality, a comprehensive Risk Management Toolkit, aligned with the Public Sector Risk Management Framework issued by National Treasury and with the Municipality's own Risk Management Strategy and Policy, has been devised. Roll-out of the toolkit across the organisation commenced in 2012.

The NMBM Risk Management Unit is committed to the optimal management of risks in order to assist the organisation in achieving its vision, mission, objectives, strategies and plans to protect our its core values. This commitment is supported by a process of risk management that is aligned to principles of good corporate governance and informed by documents such as the Public Sector Risk Management Framework, the Municipal Finance Management Act no. 56 of 2003 and the King Reports on Corporate Governance (King II and King III).

Projects undertaken by the Risk Management Unit include quarterly operational risk assessments, annual fraud risk assessments and project risk assessments (Executive Mayor's 100 Days Programme, departmental strategic sessions and special tasks teams formed to strengthen internal control processes, leading to a reduction in audit findings).

Municipal directorates report their "top risks" as part of the quarterly risk reporting process, through self control assessments. The Risk Management Unit does not provide assurance on the top risks identified; this service is provided by the Internal Audit and Risk Assurance Sub-directorate. Risks are designated as "top risks" based on risk rating scores. In determining "top institutional risks", all the top risks reported by the directorates with a residual risk rating score of greater than or equal to 20 are taken into account.

The table below reflects the number of top risks reported by the directorates during the Quarter 4 risk management cycle.

Directorate	Total number of risks	Number of high rated residual risks	Number of top risks
Office of the Chief Operating Officer	22	5	3
Special Programmes	18	3	0
Budget & Treasury	96	5	0
Infrastructure & Engineering Services	43	12	6
Safety & Security	105	13	6
Corporate Services	N/A	N/A	N/A
Constituency Services	14	1	0
Electricity & Energy	50	16	6
Economic Development & Recreational Services	74	3	0
Human Settlements	55	8	3
Office of the Speaker	13	2	1
Public Health	39	3	2
<b>Total</b>	<b>529</b>	<b>71</b>	<b>27</b>

**N/A : Corporate Services has been non-compliant in terms of the 4<sup>th</sup> quarter submission.\*** It should also be noted with regard to the analysis performed on the "top directorate risks" that Special Programmes, Budget and Treasury, Constituency Services and Economic Development & Recreational

Services did not report on top directorate risks during the Quarter 4 (2012/2013) risk management process.

## **2.7 ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY**

The Council has an approved Anti-Fraud and Anti-Corruption Policy in place. A comprehensive roll-out strategy is available, but could not be presented, as planned presentations were continuously postponed, mainly due to the instability within the institution over the past few years. It is planned to commence with an awareness campaign and roll out to the municipal leadership and staff during the course of the coming financial year.

The Council's Internal Audit and Risk Assurance Sub-directorate performs continuous audit reviews on internal control systems and procedures. The Risk Based Audit Plan includes a review of the deficiencies and risks identified by the office of the Auditor-General. Executive summaries of all audit reports were submitted to the Audit Committee during its quarterly meetings. The Municipality's Audit Committee's recommendations are set out in Appendix G.

Forensic investigations by the Internal Audit and Risk Assurance Sub-directorate and external forensic contractors identified the same high risk area as previously reported, i.e. Supply Chain Management, including but not limited to the circumvention of supply chain processes and fronting.

While fronting had been identified in a number of cases, action to restrict defrauding suppliers and instituting the required recoveries in terms of the MFMA and PPPFA has been slow or, in some instances, absent.

Protracted disciplinary processes emanating from forensic investigations have a challenge in ensuring an anti-fraud and corruption-free environment.

The Internal Audit Sub-directorate facilitated and co-ordinated a workshop presented by National Treasury to explain the implementation of MFMA Section 32 and the associated MFMA Circular 68.

Efforts to build and capacitate the limited forensic investigative functionality within the Sub-directorate by means of filling vacancies with suitable qualified candidates have to date not been successful, due to a number of challenges.

## 2.8 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Policy was developed and approved by Council in March 2009. In terms of the SCM Regulations, the SCM Policy has to be reviewed at least annually by the Accounting Officer. The current SCM Policy was reviewed, presented to the Budget and Treasury Standing Committee and the Mayoral Committee, and is currently on its way to Council. Reporting on the implementation of the SCM Policy is done on a quarterly basis. While the current SCM Policy caters for the provisions of Section 112 of the MFMA, the challenge is that SCM is not operating with a legally compliant structure; hence compliance with the SCM implementation checklist becomes a challenge. Bid Committees have been established in line with Regulations 27, 28 and 29 of the MFMA. Remedial action has been taken to address the shortfall, i.e. the SCM Structure was developed and approved by Council in principle, subject to the grading of the proposed posts. Critical vacancies were identified, awaiting confirmation of budget availability from Budget and Treasury.

## 2.9 BY-LAWS

By-laws Introduced during Year 0 (2012/13)					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
4	0	2 by-laws not subjected to public participation yet	29 July to 30 September 2013	No	Not yet publicised
T 2.9.1					

Prior to the adoption of municipal by-laws, all residents of Nelson Mandela Bay, including stakeholders, civil society, government departments and parastatals, are encouraged to actively participate in formal public participation programmes and make meaningful contributions in order to improve development and service delivery in the City. Public participation programmes around the adoption of newly developed by-laws include a formal schedule of public meetings, as well as opportunities for the public to inspect the draft by-laws at key municipal offices as well as on the municipal website, in order to give comment and input.

These programmes are developed in terms of Chapter 4 of the Municipal Systems Act of 2000, which states that a Municipality must develop a culture of municipal governance that complements formal representative governance with a system of participatory governance and must for this purpose encourage and create conditions for local communities to participate in its affairs.

## 2.10 WEBSITE

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	11/06/2013
All current budget-related policies	Yes	12/06/2013
The previous annual report (Year -1 = 2012/13)	Yes	24/01/2013
The annual report (Year 0 = 2012/13) published/to be published	Yes	30/09/2013
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0 = 2012/13) and resulting scorecards	Yes	03/08/2013
All service delivery agreements (Year 0 = 2012/13)	N/A	No agreements entered into during the review period
All long-term borrowing contracts (Year 0 = 2012/13)	Yes	12/06/2013
All supply chain management contracts above a prescribed value (give value) for Year 0	No	Not as yet implemented
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14 (2) or (4) during Year -1 (2011/12)	Yes	16/11/2012
Contracts agreed in Year 0 (2012/13) to which subsection (1) of Section 33 apply, subject to subsection (3) of that section	Yes	12/06/2013
Public-private partnership agreements referred to in Section 120 made in Year 0 (2012/13)	Yes	12/06/2013
All quarterly reports tabled in the Council in terms of Section 52 (d) during Year 0 (2012/13)	Yes	25/06/2013
T 2.10.1		

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has prioritised public engagement, consultation and interaction in respect of service delivery and key municipal programmes and projects. It is acknowledged however, that there is room for improvement, as was evident from the recent spate of strikes and public unrest experience in the City. An initiative introduced in 2011 that has proved to be very successful, is the *War Room on Service Delivery*, which constitutes an integrated centralised public hotline through which all service delivery concerns, complaints and questions are channeled for a speedy response and action (0800 20 50 50). This system has seen the percentage of public complaints and enquiries satisfactorily resolved increase significantly.

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	Number of people included in survey	Survey results indicating satisfaction or better (%)*
<b>Overall satisfaction with:</b>				
(a) Municipality		N/A	N/A	N/A
(b) Municipal Service Delivery		2010	1370	56%
(c) Mayor				
<b>Satisfaction with:</b>				
(a) Refuse Collection		2010	1370	56%
(b) Road Maintenance		2010	1370	52%
(c) Electricity Supply		2010	1370	58%
(d) Water Supply		2010	1370	56%
(e) Information supplied by Municipality to the public		2010	1370	56%
(f) Opportunities for consultation on municipal affairs		N/A	N/A	N/A
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

## **CHAPTER 3**

# **SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT – PART I)**

### **INTRODUCTION**

The Nelson Mandela Bay Municipality is committed to quality service delivery to the residents of Nelson Mandela Bay and to the expansion of services to those who never previously had access to these.

Service delivery related focus areas of the Municipality, including performance highlights over the review period are reflected below:

- **Provision of integrated, sustainable human settlements.**
  - 1 798 state subsidised housing units built.
  - 4 094 erven provided with permanent water and sanitation services.
  - 656 households relocated from stressed informal settlements and other servitudes to Greenfield development areas.
- **Provision of quality potable water and reliable water supply for commerce and industry.**
  - 3 512 new state subsidised houses provided with water connections.
- **Provision of sanitation services.**
  - 3 512 new state subsidised houses provided with sewer connections.
- **Provision of energy and electricity.**
  - 2 870 new erven connected to electricity (state subsidised and informal houses).
  - 308 new erven connected to electricity (non-electrified households).
- **Provision of solid waste management services.**
  - 99,93% of households within the urban edge provided with a domestic waste collection service.

In addition to the above, the Municipality also focuses on economic growth and development, arts, culture and heritage, as well as sports development and promotion.

The Municipality prioritises urban renewal and township rejuvenation, through its developmental arm, the Mandela Bay Development Agency (MBDA). The MBDA, which is currently the institution's only entity, has achieved significant success in the renewal of degenerating local central business districts.

## **COMPONENT A: BASIC SERVICES**

### **INTRODUCTION TO BASIC SERVICES**

The Municipality acknowledges that proper housing is the number one priority for many of its residents. In this regard, the Municipality has prioritised the relocation of households living in stressed environments (in floodplain areas, under power servitudes and in methane gas areas) as well as for the provision of state subsidised housing.

Water is vital to life, while the provision of proper sanitation services to communities in previously disadvantaged areas is key to the restoration of residents' dignity. It is acknowledged that approximately 23 000 buckets are still used as a basic sanitation system in Nelson Mandela Bay. The Municipality is currently pursuing generic alternative sanitation technology (compost, septic tank and urine diversion systems) in identified areas as an interim measure until the roll-out of the housing programme provides a permanent solution.

A sustainable supply of sufficient electricity and energy is vital for the growth and development of Nelson Mandela Bay. In the realisation that ESKOM cannot satisfy all South Africa's energy needs at this stage, the Nelson Mandela Bay Municipality is pursuing alternative sources of energy to supplement existing capacity, for example, solar energy, wind energy and



energy from gas. The abundant wind resources available locally have made it indicative that major focus be placed on wind energy in this regard.

### 3.1 WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

The strategic approach to the provision of water services is contained in the Water Services Development Plan, as approved for the IDP cycle. The Bulk Water Supply Plan for the metropolitan area is contained in the Water Master Plan, which was approved in 2006. These documents underpinned the input given to the Department of Water Affairs for the Algoa Reconciliation Strategy, as well as the short-term intervention for the drought experienced in 2009/10. Apart from three areas (non-revenue water, the Nooitgedagt Low Level Scheme and the Return Effluent Scheme for the Coega IDZ) all interventions were implemented and completed. Both the WSDP and the Water Master Plan are currently under review.

The first two of the aforementioned three constitute the three service delivery priorities described below:

- ***Provision of Basic Water:*** The NMBM has met the deadline set for 2008 in terms of the Strategic Framework and has maintained 100% compliance in respect of new informal settlements or the relocation of communities.
- ***Nooitgedagt Low Level Scheme:*** This is a multi-phased project that commenced during the 2005/06 drought and was fast-tracked for completion with the R450 million grant funding to implement the project as a drought mitigation project in respect of the 2009/11 drought. When abundant rains fell in August 2011, only the pipelines, break pressure tank and transfer pump stations were complete. Additional funding is required to complete Phases 2 and 3 of the project, which includes treatment facilities, the final water pump station and the bulk distribution reservoir.

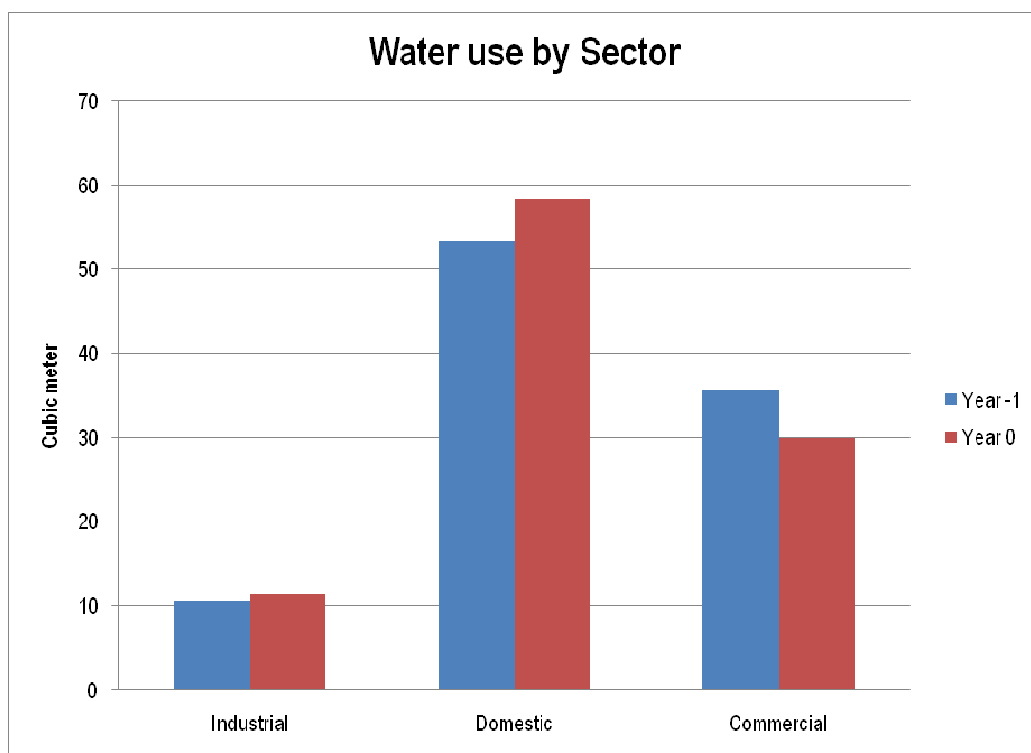
- Non-Revenue Water:** The implementation framework for the reduction of water losses is found in the approved Integrated Water Resources Management Strategy, which underpins all activities linked to non-revenue water. Progress is reported to the relevant Portfolio Committee. The NMBM has managed to reduced its non-revenue water loss level from 40,2% to 36%, with real losses being reducing from 26,2% to 21,0%. This reduction is in line with the standard set by the Department of Water Affairs for the NMBM, i.e. a reduction in water losses of 37 MI/d over five years. The estimated non-revenue water losses for the 2012/13 financial year is 40,1%, with associated real losses at 26,1%, which represent an increase in real losses. The main contributing factor was the water wastage caused by the wash-away of two bulk water supply pipelines ( $\pm$  750 mm diameter each).

All planning culminates in the Three-year Capital Budget Programme, which speaks to the delivery of water services to meet domestic water needs, especially of the poor, and commercial/industrial water demands. Consistently, 100% of the grant funding allocated to the Municipality to meet its service delivery targets, has been spent. The Spatial Development Framework and Housing Programme are the key documents that underpin planning for the efficient delivery of water services. To this effect, the completion of the Nooitgedagt Low Level Scheme is critical for both the delivery of water to the poor and for industrial development.

Only two of the seven water treatment works have been awarded Blue Drop status; this must be interpreted against the background that the Municipality has consistently produced quality potable water.

## SERVICE STATISTICS FOR WATER SERVICES

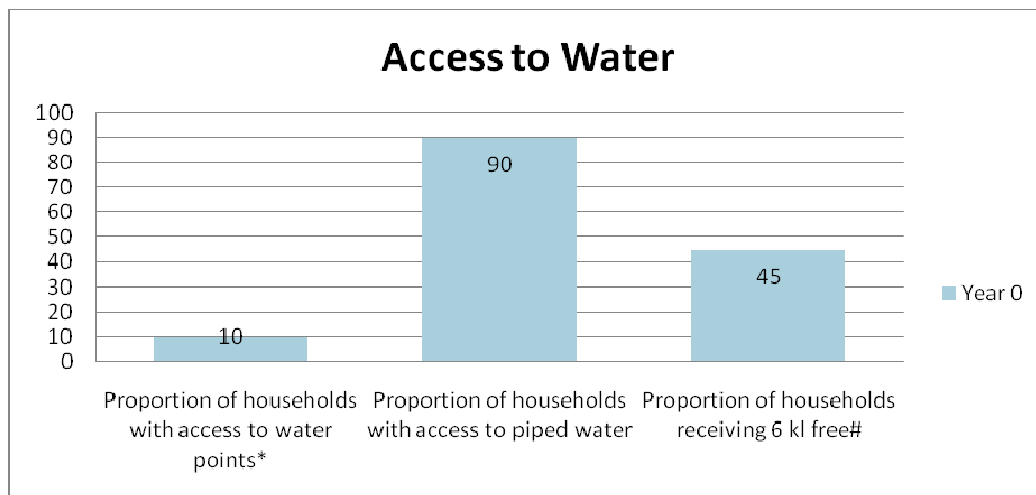
Total Use of Water by Sector (cubic meters)			
	Industrial	Domestic	Commercial
Year -1	11	54	36
Year 0	12	59	30
T 3.1.2			



Water Service Delivery Levels	
Description	Households
	Year 0
	Actual No.
<b><u>Water: (above min level)</u></b>	
Piped water inside dwelling	276 850
Piped water inside yard (but not in dwelling)	15 752
Using public tap (within 200m from dwelling )	30 202
Other water supply (within 200m)	1 488
<i>Minimum Service Level and Above sub-total</i>	<b>324 292</b>
<b><u>Water: (below min level)</u></b>	
Using public tap (more than 200m from dwelling)	nil
Other water supply (more than 200m from dwelling)	nil
No water supply	
<b>Total number of households*</b>	<b>324 292</b>
* - To include informal settlements	

T 3.1.3

Households - Water Service Delivery Levels below the minimum			
Description	Year 0		
	Original Budget Number	Adjustments Budget Number	Actual Number
<b>Formal Settlements</b>			
Total households	276 850	276 850	276 850
Households below minimum service level	nil	nil	nil
Proportion of households below minimum service level	nil	nil	nil
<b>Informal Settlements</b>			
Total households	30 202	31 202	32 202
Households below minimum service level	23 054	23 054	23 054
Proportion of households below minimum service level	nil	nil	nil
T 3.1.4			



#### Access To Water

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year 0	10	90	45
T 3.1.5			

\* Means access to 25 liters of potable water per day supplied within 200 m of a household and with a minimum flow of 10 liters per minute

# 6,000 liters of potable water supplied per formal connection per month

**WATER SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Water</b>	% households within the urban edge provided with access to a basic potable water supply within a 200 m radius	100%	100%	100%	100%	100%
	Number of new state subsidised houses provided with water connections	3600	6470	3000 (in line with Housing Programme)	3512 (in line with Housing Programme)	2078
	% compliance with the drinking water standards in line with South African National Standards 241 (SANS 241)	100%	100%	100%	100%	100%
	Number of new settlements provided with bulk water infrastructure as part of the informal settlements upgrading programme	N / A	N / A	1 new Greenfield area (Rosedale Extension) and 4 in situ development areas	1 new Greenfield area (Rosedale Extension) and 4 in situ completed	1 new Greenfield area developed 4 in situ development areas completed

**WATER SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Water</b>	% reduction in water losses in line with the International Water Association (IWA) Audit Standards (variance between the total system input and authorised consumption)	2%	6.50%	1.00%	7.2% increase in water losses	1%

Financial Performance Year 0: Water Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	504881469	581395150	581215720	620783477	6.34%
Expenditure:					
Employees	84902694	109272320	109800940	96013051	-13.81%
Repairs and Maintenance	107331825	131852670	127895020	126270630	-4.42%
Other	327195463	277817500	310206110	351596715	20.98%
<b>Total Operational Expenditure</b>	519429982	518942490	547902070	573880396	9.57%
<b>Net Operational Expenditure</b>	14548513	-62452660	-33313650	-46903081	-33.15%
T 3.1.8					

Capital Expenditure Year 0: Water Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	134,402	258,602	266,414	50%	
Nooitgedagt/Coega Low Level System	-	129,200	179,995	100%	750,000
Pipe Rehabilitation and Improvements to System - General	10,000	18,500	31,440	68%	This project consists of tri-annual contracts that are being used as and when required all over the City every year
Purchase of Water Meters – City	10,000	9,000	20,363	51%	Ongoing every year
Upgrading Groendal Water Treatment Works	11,000	11,000	12,236	10%	30,000
Installation of Zone Water Meters	5,000	2,500	4,216	-19%	Ongoing every year
Purchase New Vehicles	2,000	2,000	2,609	23%	Ongoing every year
Metro Water: Master Plan Replacement of Pipes	2,000	2,000	1,988	-1%	6,000
Water Services Augmentation Backlog: Pipelines	8,000	5,500	1,708	-368%	Ongoing every year
Reservoir Fencing	200	200	1,541	87%	Ongoing every year
Access Roads: Upgrade	1,500	1,500	1,464	-2%	Ongoing every year
Groundwater Investigation	2,000	1,985	1,301	-54%	
Water Service Maintenance Backlog: Pump Stations	5,000	5,000	1,131	-342%	Ongoing every year

Capital Expenditure Year 0: Water Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Van Stadens Village Water Supply Upgrade	1,000	1,000	1,007	1%	10,000
Loerie Treatment Works: Rehabilitation	9,000	9,000	995	-805%	130,000
Regionalisation: New Water Depot	1,000	1,000	23	-4248%	7,000
Rudimentary Service: Water	500	1,000	871	43%	Ongoing every year
Upgrading of Churchill Water Treatment Works	13,000	11,000	771	-1586%	140,000
Rehabilitation of Pipe Bridges	2,000	2,000	721	-177%	15,000
Elandsjagt - Upgrade to Restore Capacity	22,452	18,452	700	-3107%	100,000
Bulk Water Metering and Control	2,000	2,000	281	-612%	Ongoing every year
Groendal Dam: Rock Stabilisation and Improved Outlet	2,000	2,000	273	-633%	8,000
Water Service Maintenance Backlog: Dams	1,500	1,500	232	-547%	Ongoing every year
Replacement of KwaNobuhle Reservoir	1,000	1,000	215	-365%	27,000
Telemetry System: Upgrade	250	250	152	-64%	Ongoing every year
Rehabilitation of Reservoirs	250	250	134	-87%	Ongoing every year
Desalination Augmentation	2,000	2,000	34	-5782%	
Coega Reclaimed Effluent Scheme	-	15	13	100%	550,000
Moffat Dam: Rehabilitation	200	200	-		
Upgrading of Springs Water Treatment Works	500	500	-		4,000
Linton: Additional Treatment Facility	300	300	-		Completed
Seaview Pump Station: Upgrade	4,000	2,000	-		
Augment Older Dam Pipelines	2,000	2,000	-		40,000
Kwanobuhle Reservoir Link Watermain	250	250	-		
Walmer Area G - West: New Water Pipe Line	250	250	-		Completed
Walmer Area Q - Phase 3: New Water Pipe Line	250	250	-		Completed
Seaview Bulk Water	1,000	1,000	-		80,000
St Albans Bulk Water	250	250	-		200,000



Capital Expenditure Year 0: Water Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Balmoral Reservoir and Bulk Pipeline	500	500	-		25,000
Schoenmakerskop Reservoir	100	100	-		5,000
Construction of Amanzi Reservoir and Pipeline	500	500	-		40,000
Van der Kemp's Reservoir and Approach Main	500	500	-		Completed
Uitenhage	5,000	5,000	-		35,000
Cathodic Protection of Steel Pipelines	150	150	-		15,000
Refurbishment of Cast Iron Fittings	300	300	-		Ongoing every year
Rehabilitation of Valves and Fire Hydrants	500	500	-		Ongoing every year
Helenvale Urban Renewal Programme	1,000	1,000	-		10,000
Jagtlakte: Bulk Water Supply Pipelines	200	200	-		
Govan Mbeki Midlock Mains	1,000	1,000	-		10,000
Upgrading of Water Reticulation: KwaNobuhle	1,000	1,000	-		15,000
Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure as appropriate).					
T 3.1.9					

### COMMENT ON WATER SERVICES PERFORMANCE:

Apart from the funding for the Nooitgedagt Low Level Scheme and additional funding dealing with non-revenue water, the five-year targets can be met within budget provisions. Budgets will consistently be reviewed to ensure that targets will be met.

The target to provide access to water to all is contained in two areas of the Capital Budget:

- *Upgrading of the seven water treatment facilities:* To meet demand and Blue Drop requirements, as well as for legislative compliance (this upgrading includes the Nooitgedagt Low Level Scheme).

- *Bulk water infrastructure:* to support the Housing Programme that directly speaks to the upgrading of informal settlements and access to water for the poor.

### 3.2 WASTEWATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

The strategic approach to the provision of sanitation services is contained in the Water Services Development Plan (WSDP), as approved for the IDP cycle. The Bulk Sanitation Plan for the metropolitan area is contained in the Sanitation Master Plan, which was approved in 2012. The WSDP is currently under review. These documents speak directly to the planning horizons set in the Spatial Development Framework and the Housing Programme.

The three service delivery priorities for sanitation are as follows:

- ***Bucket eradication:*** This is the single biggest challenge that the NMBM Water Services Division (WSD) faces in providing services to the poor. Although dedicated funding for the business plan that was submitted has not been forthcoming from the relevant national department, the NMBM has built approximately 2000 houses per year, thereby reducing residents' dependence on buckets. Currently an audit is being conducted to assess the impact of the upgrading plans that have been implemented in respect of the 23000 buckets still in the NMBM sanitation system in 2010. As a result of the lack of housing subsidies that would have ensured the permanent eradication of the buckets, the NMBM has revised its approach to a two-pronged one: Firstly, introducing interim arrangements to eradicate the bucket system; and, secondly, pursuing a permanent solution through the roll-out of the NMBM Housing Programme.
- ***Bulk wastewater pipelines:*** In order to meet the needs for the upgrading of informal settlements, bulk pipe networks are required to serve these areas.

- **Upgrading of wastewater treatment works:** Once again, the upgrading of informal settlements requires the treatment of wastewater; a huge capital investment in the order of R1500 million is required.

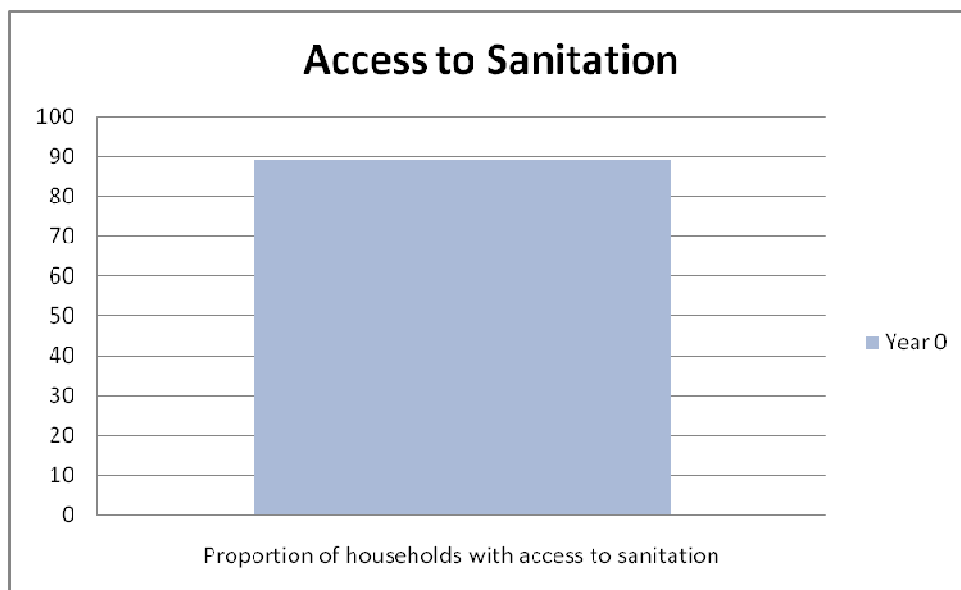
The Three-year Capital Budget Programme is used as the outcome of all planning that speaks to the delivery of wastewater services to meet domestic needs, in particularly the poor, and commercial/industrial demands. Water Services have consistently spent 100% of the grant funding allocated to it to meets its service delivery targets. The Spatial Development Framework and Housing Programme are the key documents that are used to plan for the efficient delivery of sanitation services at the right time and place. To this effect, the upgrade of the Fishwater Flats Wastewater Treatment Works is critical to meet the developments planned in Motherwell, Wells Estate and Chatty areas, where most of the upgrading of informal settlements is planned.

Only one of the seven wastewater treatment works has been awarded Green Drop status. This is against the background that the NMBM is in the process of upgrading all its plants to improve its legislative compliance.

## SERVICE STATISTICS FOR SANITATION SERVICES

Sanitation Service Delivery Levels	
Description	*Households
	Year 0
	Actual Number
<b><u>Sanitation/Sewerage: (above minimum level)</u></b>	
Flush toilet (connected to sewerage)	274 690
Flush toilet (with septic tank)	2 160
<i>Minimum Service Level and Above sub-total</i>	276 850
<b><u>Sanitation/sewerage: (below minimum level)</u></b>	
Bucket toilet	23 054
No toilet provisions	17 240
<b>Total households</b>	<b>324 292</b>
<b>*Total number of households, including informal settlements</b>	
T 3.2.3	

Households - Sanitation Service Delivery Levels below the minimum Households			
Description	Year 0		
	Original Budget No.	Adjustments Budget No.	Actual No.
<b>Formal Settlements</b>			
Total households	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%
<b>Informal Settlements</b>			
Total households	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%
T 3.2.4			



#### Access to Sanitation

Access to Sanitation	
	Proportion of households with access to sanitation
Year 0	89

**SANITATION SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Sanitation</b>	% households with access to basic sanitation	92%	89%	91%	91%	91%
	Number of new state subsidised houses provided with sewer connections	3600	6470	3000	3512	2078
	Number of new settlements provided with bulk sanitation infrastructure as part of the Informal Settlements Upgrading Programme	N / A	N / A	1 new Greenfield area (Rosedale Extension) and 4 in situ development areas	1 new Greenfield area (Rosedale Extension) and 4 in situ completed	1 new Greenfield area developed 4 in situ development areas completed

Financial Performance Year 0: Sanitation Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	394743035	474317150	464991540	503878129	5.87%
Expenditure:					
Employees	94326623	103226370	103208180	-13994626	837.61%
Repairs and Maintenance	107945602	128923390	128672530	133809214	3.65%
Other	144837805	173100950	182428120	186185027	7.03%
<b>Total Operational Expenditure</b>	347110030	405250710	414308830	305999615	-32.44%
<b>Net Operational Expenditure</b>	-47633005	-69066440	-50682710	-197878514	65.10%
T 3.2.8					

**Note:**

- In NMBM's Budget framework, Stormwater falls under Sanitation. For this report, the stormwater portion is reflected elsewhere (under paragraph 3.9).
- The anomaly with employees in Actual 2012/13 is due to an amount of R105 835 738.15 in respect of the Post-retirement Benefit Provision and Provision of Leave Pay in the amount of R1 825 555.40 written back. This created the negative expenditure position.

Capital Expenditure Year 0: Sanitation Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	234600	206800	169499	-38%	
Fishwater Flats WWTW Upgrade	70000	50500	28491	-146%	500,000
Improvements to Sewerage System	15000	15300	26192	43%	This project consists of tri-annual contracts that are being used if and when required all over the City every year
Driftsands WWTW Phase 3 extension	18000	16000	20111	10%	41,538
Missionvale Bulk Sewerage Reticulation	6000	14800	16615	64%	22,800
Rehabilitation of KwaZakhele Collector Sewer	7000	17500	16181	57%	28,000
Improve access roads			15803	100%	This is an ongoing project. Funds are spent as and when need arises

Capital Expenditure Year 0: Sanitation Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Sewer Replacement and Relining	10000	8800	7086	-41%	This project consists of tri-annual contracts that are being used if and when required all over the City every year
Brickfields: Upgrade	5000	5000	5931	16%	844
WWTW: Building Repairs and Concrete Rehabilitation	2000	4800	4772	58%	10,410
Kelvin Jones WWTW: Upgrade	38126	16256	4741	-704%	4,920
Telemetry - Pump Stations	1000	3400	3121	68%	This is an ongoing project
Sewerage Pump Station : Maintenance Backlog	8000	16500	3116	-157%	15,452
Driftsands Collector Sewer - Augmentation	500	2650	2831	82%	202,708
Cape Receife WWTW : Upgrade	200	370	2262	91%	2,872
Regionalisation : Sanitation	1500	1500	1377	-9%	This is an ongoing project. Funds are spent as and when the need arises
KwaNobuhle WWTW : Upgrading	4500	1500	1251	-260%	4,314
Swartkops Low Level Collector Sewer Upgrade			1131	100%	103,000
Rockland PHB Housing Project: Wastewater Treatment Works	100	0	1000	90%	1,686
Sewers: Maintenance Backlog Pipes Replacement			803	100%	This is an ongoing project. Funds are spent as and when the need arises
Witteklip Bulk Sewerage	2000	2000	798	-151%	23,000
Jagtvlakte Bulk Sewerage	500	500	790	37%	93,500
Upgrade and Rehabilitation of the Korsten Dry Lake Area	0	1200	729	100%	10,000
Paapenkuils Main Sewers Augmentation	1000	1000	663	-51%	18,500
KwaNobuhle Area 11 - Link sewer	200	200	646	69%	30,000
Industrial Site (Airport Valley) - Bulk Sewer	200	700	620	68%	50,000
Pump Stations - New Equipment	7500	1500	415	-1707%	This project consists of tri-annual contracts that are being used if and when required all over the City every year

Capital Expenditure Year 0: Sanitation Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Motherwell Main Sewer Upgrade			390	100%	6,500
Rudimentary Services: Sanitation	1000	1000	361	-177%	60,000
Markman - Replace 600 mm Sewer	2000	2000	344	-481%	30,000
Augment Collector Sewer for Walmer Heights and Mt Pleasant	250	250	330	24%	45,000
TEI: Sampling Station	400	400	210	-90%	This is an ongoing project. Funds are spent as and when need arises
Lorraine - Bulk Sewerage Augmentation	100	100	152	34%	101,310
Upgrade Despatch Reclamation Works	100	2100	127	21%	10,394
Baakens Collector Augmentation – Circular Drive to Woodlands	0	9	93	100%	13,671
Chatty Valley Collector Sewer Stage 1 (nodes 20 – 24)	13024	1202	91	-14212%	30,000
Sewerage Master Plan System Updating	450	450	45	-900%	This is an ongoing project.
Bulk Sewers, KwaNobuhle informal areas (XX16S)	0	13	-35	100%	3,092
Sewer Protection Works for Collector Sewers	1000	500	-85	1276%	This is an ongoing project. Funds are spent as and when the need arises
Bucket Eradication Programme	500	500			60,000
Sewers: Maintenance Backlog	5000	5000			This is an ongoing project. Funds are spent as and when need arises
Colchester - Sewer Reticulation	100	0			EIA constraints. Project total unknown
Balmoral Collector Sewer	100	100			20,000
Florida Collector Sewer	100	100			40,000
Reclaimed Wastewater	200	200			-
KwaNobuhle: Upgrading of Sewer Reticulation	1000	0			-
Motherwell North Bulk Sewerage	1000	800			6,500
WWTW: SCADA/Telemetry Links	200	200			This is an ongoing project. Funds are spent as and when the need arises



Capital Expenditure Year 0: Sanitation Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
WWTW - Sludge Treatment and Disposal Facilities	100	100			
WWTW: Improve Access Roads	2000	5000			This is an ongoing project. Funds are spent as and when need arises
Aloe Sewerage Pump Station Refurbishment and Upgrading	2000	0			This is being done under Sewerage Pump Station: Maintenance Backlog
Studebaker Pump Station Upgrading	500	0			This is being done under Sewerage Pump Station: Maintenance Backlog
Replacement of Sewerage Collection Vehicles and Equipment	2000	2000			
Sewers GIS	50	50			This is an ongoing project
Colchester Bulk Sewerage	500	150			EIA constraints. Project total unknown
Uitenhage Allanridge West - Bulk Sewer	200	0			This project is now called "Bulk Sewers Joe Slovo, Mandelaville, Allanridge West, UIT"
Tynira/Endlovini - Sewerage	200	400			This project is now called "Motherwell Main Sewer Upgrade"
Raymond Mhlaba - Bulk Sewer	200	1600			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Nkatha/Seyis - Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Mavuso (Day Hospital Site - Roholihlahla) - Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Mandela Village (KwaZakhele) Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Kwanotshinga/Meka-Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"

Capital Expenditure Year 0: Sanitation Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Kalipa - Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Hlalani (Qeqe) - Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Ekuphumlenni -Bulk Sewer	200	0			This project is now called "Swartkops Low Level Collector Sewer Upgrade"
Ramaphosa West - Bulk Sewer	200	0			This project is now called "Motherwell Main Sewer Upgrade"
Mandelaville - Bulk Sewer	200	0			This project is now called "Bulk Sewers Joe Slovo, Mandelaville, Allanridge West, UIT"
Joe Slovo - Uitenhage - Bulk Sewer	200	600			This project is now called "Bulk Sewers Joe Slovo, Mandelaville, Allanridge West UIT"
					T 3.2.9

### COMMENT ON SANITATION SERVICES PERFORMANCE:

The inability to secure the required grant funding to eradicate buckets while also providing the required infrastructure for the Housing Programme, will prevent the NMBM from meeting all the IDP targets, especially meeting the target for basic sanitation and, by default, bucket eradication.

The overall target to provide basic sanitation to all is contained in two areas of the Capital Budget:

- Upgrading of the seven wastewater treatment facilities, to both meet demand and legislative compliance, as well as the Green Drop requirements.

- Bulk wastewater infrastructure to support the Housing Programme that directly speaks to the upgrade of informal settlements and sanitation for the poor.

### **3.3 ELECTRICITY**

#### **INTRODUCTION TO ELECTRICITY**

##### **Electrification**

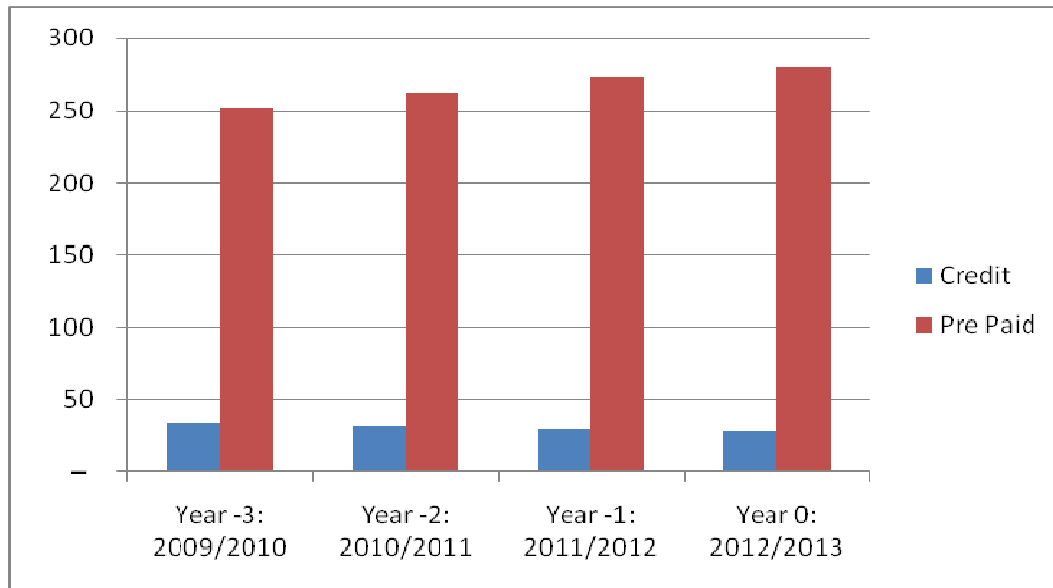
The Municipality's Electrification Plan, which also focuses on the eradication of backlogs in the provision of electricity in informal areas, is reliant on the NMBM Housing Programme. Application is made by the Municipality to the Department of Energy, based on the above stated Housing Programme. If the funds of the Department of Energy are insufficient to cover the Housing Delivery Programme, funding to cover the shortfall is provided from Internal NMBM resources (levies). This ensures that all households have access to electricity.

##### **Maintenance**

The Municipality has secured grant funding from the Department of Energy and obtained additional funds from NERSA through the tariff application process to address major maintenance backlogs.

## SERVICE STATISTICS FOR ELECTRICITY

Electricity Service Delivery Levels				
Description	Year -3: 2009/2010	Year -2:2010/2011	Year -1:2011/2012	Households Year -0: 2012/2013
	Actual Number	Actual Number	Actual Number	Actual Number
<b><u>Energy: As per the IDP there is no high or low standard of supply)</u></b>				
Credit	34	32	30	29
Pre-paid	251	262	272	279
Service Level sub-total	285	294	302	308
Level Percentage	100.0%	100.0%	100.0%	100.0%
<b>Total number of households</b>				
	285	294	302	308
T 3.3.3				



**ELECTRICITY SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Electricity and Energy</b>	Number of new erven connected to electricity (state subsidised and informal houses)	4000	3516	4000	2870	2050 (state subsidised and informal houses)
	Number of new erven connected to electricity (non-electrified households)	300	301	300	308	300 (non-electrified households)
	% of all households on officially surveyed sites provided with access to electricity	97%	100%	97%	100%	97%
	% electricity losses (variance between electricity billed and electricity purchased) in line with NERSA standards	7%	9.01%	10%	10.76%	9%
	Purchasing of electricity from a 1.8 Megawatt wind turbine (renewable sources)	kwh2400000	kwh4808089.00	kwh2400000.00	kwh5505557.70	kwh2400000

**ELECTRICITY SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Electricity and Energy</b>	Number of new streetlights installed	40	103	40	41	40
	Number of new area lights installed	300	208	280	351	280

Employees: Electricity Services				
Job Level	Year 0: 2012/2013			
	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 -2	34	16	18	53%
3	142	65	77	54%
3-5	344	164	180	52%
4-5	31	16	15	48%
4	12	8	4	33%
5	40	10	30	75%
6-7	36	27	9	25%
6	50	9	41	82%
7-8	14	12	2	14%
7	62	43	19	31%
8-9	125	87	38	30%
8	18	9	9	50%
9	30	17	13	43%
9-10	10	9	1	10%
9-12	14	13	1	7%
9-13	10	10	0	0%
10	39	22	17	44%
10-13	1	0	1	100%
10-14	4	2	2	50%
11	28	22	6	21%
11-12	7	0	7	100%
12	15	12	3	20%
13	14	10	4	29%
14	9	6	3	33%
16	11	6	5	45%
18-19	4	2	2	50%
25	1	0	1	100%
Total	1105	597	508	46%
T 3.3.6				

**Note:** The Electricity and Energy Directorate's vacancies could not be finalised based on Job Levels, instead, the grading structure of the Directorate was used.

Financial Performance Year 0: Electricity Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	2873343318	3120937190	3107999730	2963064729	-5.33%
Expenditure:					
Employees	207260426	206007200	210405830	336484396	38.78%
Repairs and Maintenance	38818464	42006130	41966130	39447316	-6.49%
Other	2280190614	2534887960	2507824160	2448525477	-3.53%
<b>Total Operational Expenditure</b>	2526269504	2782901290	2760196120	2824457189	1.47%
<b>Net Operational Expenditure</b>	-347073814	-338035900	-347803610	-138607540	-143.88%
T 3.3.7					

**Note: The main reason for employee related costs being overspent is due to the Post-Retirement Benefits Provision of R149 845 969.83 being R128 032 389.83 above the original budget.**

Capital Expenditure Year 0: Electricity Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	121147	125177	130183	7%	
Electrification of State Subsidised and Informal Houses	20000	18000	20726	4%	Ongoing project
Miscellaneous Mains and Substations	12500	18500	14256	12%	Ongoing project
HV Network Reinforcement - New Substations	7000	7000	8599	19%	Ongoing project
HV Network Reinforcement - Overhead Cabling	6000	6000	5746	-4%	Ongoing project
Private Township Development	7500	5000	5000	-50%	Ongoing project
Coega Reinforcement	5000	5000	4756	-5%	Ongoing project
Relocation of Existing Electrical Service Connections	0	2000	4207	100%	Ongoing project
Electricity Buildings - Additional Furniture & Fittings	0	1500	4159	100%	
Energy Efficiency and Demand	0	0	4135	100%	Ongoing project
Uitenhage Reinforcement	4074	4074	3941	-3%	Ongoing project
Overhead Lines Refurbishment	4500	4500	3764	-20%	Ongoing project
HV Line Refurbishment (66 & 132 kV)	3600	3600	3622	1%	Ongoing project
Replacement of MV Switchgear	3000	3000	3316	10%	Ongoing project
Western Reinforcement	4761	4761	3198	-49%	Ongoing project
Lighting - New Main Road	3500	3500	3169	-10%	Ongoing project
Meters and Current Transformers	3000	3000	2718	-10%	Ongoing project
Area Lighting	2000	2530	2613	23%	Ongoing project
Relay Replacement	1000	1000	2544	61%	Ongoing project
Malabar/Helenvale Reinforcement	2150	2150	2543	15%	Ongoing project



Capital Expenditure Year 0: Electricity Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Computer Systems Upgrade	2500	1000	2472	-1%	Ongoing project
Non-electrification Areas - Service Connections	1500	1500	2359	36%	Ongoing project
Despatch Reinforcement	1519	1519	2322	35%	Ongoing project
Ibhayi Reinforcement	580	580	2021	71%	Ongoing project
MV and HV Switchgear Replacement	1500	1500	1964	24%	Ongoing project
Substation Fibre-optic Backbone	2000	2000	1921	-4%	Ongoing project
Fairview Refurbishment	1500	1500	1394	-8%	Ongoing project
Gas Turbine Refurbishment	1500	1500	1366	-10%	Ongoing project
Summerstrand Reinforcement	1302	1302	1344	3%	Ongoing project
Supervisory Control System Upgrading	1000	1000	1300	23%	Ongoing project
Peri-Urban Network	1500	1500	1162	-29%	Ongoing project
Walmer Lorraine Reinforcement	2300	2300	1085	-112%	Ongoing project
Street Lighting - Residential Areas	1000	1000	1038	4%	Ongoing project
New/Replacement of Plant and Motor Vehicles	500	500	993	50%	Ongoing project
Distribution Kiosk Replacement	800	800	798	0%	Ongoing project
Mount Road Reinforcement	620	620	582	-7%	Ongoing project
Newton Park Reinforcement	1500	1500	564	-166%	Ongoing project
Wells Estate Reinforcement	1740	1740	508	-243%	Ongoing project
Low Voltage Reticulation Improvement	700	700	485	-44%	Ongoing project
Uitenhage/Despatch SCADA	250	250	439	43%	Ongoing project
Korsten Reinforcement	1550	1550	314	-394%	Ongoing project
Substation Security Alarm Upgrade	200	200	186	-8%	Ongoing project
Replace Switchgear in Mini Sub-stations - KwaNobuhle	150	150	147	-2%	Ongoing project
Hunters Reinforcement	1080	1080	98	-1002%	Ongoing project
Bethelsdorp 11 kV Reinforcement	110	110	93	-18%	Ongoing project
Supervisory Additional Substation	100	100	77	-30%	Ongoing project
Motherwell Electrification - Bulk Supply	60	60	63	5%	Ongoing project
Redhouse Reinforcement	200	200	49	-308%	Ongoing project
HV Network Reinforcement - Underground Cabling	1000	1000	12	-8233%	Ongoing project
Radio and Test Equipment	20	20	9	-122%	Ongoing project
Control Room Upgrade	20	20	3	-567%	Ongoing project
Swartkops Reinforcement	1261	1261			Ongoing project
Cable Replacement 6.6kV	0	0	3	100%	Ongoing project
					T 3.3.8

## **COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL**

The Miscellaneous Mains and Coega Capital Projects rely on applications by customers for new connections and reinforcement to ensure that the network is capable of handling the new customer requirements. The variances in budget expenditure for the above two projects can be attributed to fluctuating customer requests.

Electrification projects focused on the provision of electricity to state and informal housing, and the budget for these projects was adequately spent.

HV Network Reinforcement projects provided for the construction and completion of new HV substations. The variance in budget expenditure can be attributed to the fluctuating exchange rate and CPI adjustments.

### **3.4 WASTE MANAGEMENT**

#### **INTRODUCTION TO WASTE MANAGEMENT**

For a number of years, the Waste Management Sub-directorate did not comply with the National Standard for Refuse Collection, because of the fact that a weekly domestic collection service is not rendered in low income areas, but only a bi-weekly domestic collection service (on wheely bins). During the 2012/2013 financial year, progress has been made in securing funding, in phases, in order to increase the frequency of refuse collection in low income areas from a bi-weekly to a weekly basis. The delivery of five (5) new compactors is awaited in order to implement the increase of collection frequency in Phase 1.

The Nelson Mandela Bay Municipality is the only municipality in South Africa to have ten (10) successfully running community-based waste contracts. In addition, a further 33 community-based contracts were advertised in this financial year, which is viewed as an achievement, as these contracts focus on poverty alleviation, youth and women.

These contracts are also reported in terms of the Expanded Public Works Programme (EPWP).

Altogether, 2011 events were held to promote awareness of waste management among residents, shop owners, schools, etc. to educate the community on good waste management practices and also inform them about the services that are rendered by the Waste Management Sub-directorate. Despite these awareness programmes, the challenge of illegal dumping is growing, for the following reasons:

- *Lack of waste infrastructure* – Additional garden waste or bulky waste that cannot be disposed of with the normal door-to-door collection service needs to be disposed at a drop-off centre or a transfer station. The challenge is that there are not enough formal drop-off centres accessible to all communities.
- *Lack of law enforcement* – Currently, there is only one town ranger to enforce Waste Management By-laws throughout Nelson Mandela Bay.
- Lack of sufficient refuse trucks to render the required services.
- Non-filling or delays in filling of vacancies.

In addition, through its development organ, the Mandela Bay Development Agency (MBDA), the Municipality runs street-cleaning programmes in various business districts throughout the city.

## SERVICE STATISTICS FOR WASTE MANAGEMENT

Solid Waste Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual Number	Actual Number	Actual Number	Actual Number
<b><u>Solid Waste Removal:</u></b> (Minimum level)				
Removed at least once a week	228,987	212,218	215,344	175,057
<i>Minimum Service Level and Above sub-total</i>	228,987	212,218	215,344	175,057
<i>Minimum Service Level and Above percentage</i>	61.3%	56.9%	57.3%	52.4%
<b><u>Solid Waste Removal:</u></b> (Below minimum level)				
Removed less frequently than once a week	106,002	136,764	139,082	139,082
Using communal refuse dump	34,875	19,397	18,146	17,162
Using own refuse dump	0	0	0	0
Other rubbish disposal	2,516	2,516	2,516	2,516
No rubbish disposal	886	2,371	912	190
<i>Below Minimum Service Level sub-total</i>	144,279	161,048	160,656	158,950
<i>Below Minimum Service Level percentage</i>	38.7%	43.1%	42.7%	47.6%
<b>Total number of households</b>	<b>373,266</b>	<b>373,266</b>	<b>376,000</b>	<b>334,007</b>

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	289,000	289,000	289,000	254,007	254,007	254,007
Households below minimum service level	0	0	1,880	1,880	1,880	1,880
Proportion of households below minimum service level	0%	0%	1%	1%	1%	1%
<b>Informal Settlements</b>						
Total households	84,266	84,266	87,000	80,000	80,000	80,000
Households below minimum service level	36,397	22,404	18,076	17,696	17,696	17,872
Proportion of households below minimum service level	43%	27%	21%	22%	22%	22%
T 3.4.3						

**WASTE MANAGEMENT SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Waste Management</b>	% households within the urban edge receiving a domestic waste collection service	95%	100%	100%	99.93%	100%
	Number of households within the urban edge changed from a fortnightly to a weekly waste collection service	N / A	N / A	30000	0	N / A
	Number of new waste management cooperatives established	N / A	N / A	11	0	N / A

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	142	154	142	12	8%
4 - 6	53	62	53	9	17%
7 - 9	0	0	0	0	
10 - 12	13	15	13	2	15%
13 - 15	1	1	1	0	0%
16 - 18	1	2	1	1	100%
19 - 20		0			
Total	210	234	210	24	11%
T3.4.5					

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	360	408	360	48	13%
4 - 6	39	45	39	6	15%
7 - 9	8	11	8	3	38%
10 - 12	12	15	12	3	25%
13 - 15	0	1	0	1	
16 - 18	2	3	2	1	50%
19 - 20	0	0	0		
Total	421	483	421	62	15%
T3.4.6					

Financial Performance Year 0: Solid Waste Management Services					
					R000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Total Operational Revenue	244427086	254815710	261028730	253292739	-0.60%
Expenditure:					
Employees	53773744	55189780	54967190	54960944	-0.42%
Repairs and Maintenance	388279	830280	838370	288597	-187.70%
Other	156977263	152601980	151050110	175365893	12.98%
Total Operational Expenditure	211139286	208622040	206855670	230615434	9.54%
Net Operational Expenditure	-33287800	-46193670	-54173060	-22677305	-103.70%
T 3.4.7					

Financial Performance Year 0: Waste Disposal and Other Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-29,959,962	<b>-9,237,700</b>	<b>-9,165,630</b>	<b>-9,690,599</b>	0
Expenditure:					
Employees	4,603,294	4,702,410	4,938,150	4,808,685	0
Repairs and Maintenance	283,674	471,930	495,190	174,109	-2
Other	24,020,703	19,816,640	26,280,600	28,742,004	0
<b>Total Operational Expenditure</b>	28,907,671	24,990,980	31,713,940	33,724,798	0
<b>Net Operational Expenditure</b>	58,867,633	34,228,680	40,879,570	43,415,397	0
T 3.4.8					

Capital Expenditure Year 0: Waste Management Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4500	14183	3442	-31%	
Waste Management Containers	0	577	0		No contracts in place
IWMP Project	0	6	0		IWMP has not been approved yet
Urban Refuse Transfer/Recycling Station	2500	2500	1907	-31%	No contracts in place
Replacement of Refuse Compactors	2000	11100	1653	-21%	
Development of Waste Disposal Facilities	0	0	-118	100%	No contracts in place
T 3.4.9					

### COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

A Capital Budget was allocated for the following Waste Management projects: Replacement of Refuse Compactors, Waste Management Containers, Urban Refuse Transfer/Recycling Station. The five compactors have been ordered and the Sub-directorate is awaiting their delivery (as soon as they are delivered, the budget will be

fully spent). It should be noted that protracted Supply Chain Management processes (SCM) were the main contributor to delays. For example, the budget for the Urban Refuse Transfer/Recycling Station was earmarked for the fencing of the Kragga Kamma Drop-off site, but due to the lengthy Supply Chain Management processes, the tender for the construction of this fence has not yet been awarded, which resulted in a variance. The tender for the distribution of wheely bins has also not yet been awarded.

### **3.5 HUMAN SETTLEMENTS**

#### **INTRODUCTION TO HUMAN SETTLEMENTS**

The Municipality has moved its focus from simply providing shelter to establishing integrated and sustainable human settlements and providing quality housing. Central to the provision of integrated and sustainable human settlements is Outcome 8.

Output 3 of Outcome 8 provides for the Gap market, which is a segment that does not qualify for a full housing subsidy and therefore needs to finance its own housing. People in this segment could earn between R3 500 and R15 000 a month (as per the South African President's State of the Nation Address 2012). The State of the Nation Address identified subsidy amounts for this market, up to R85 000 per unit.

The Municipality will focus on facilitating provision for the Gap market by expediting application processes and servicing. In terms of a preliminary assessment conducted, the need in this market is estimated in the region of 20 000 to 25 000 units.

The Municipality employs a number of approaches in relation to Output 4 of Outcome 8. These include the following:

- *Use of municipal owned land in support of the Housing Programme –*  
The NMBMM's Housing Plan is totally accommodated by municipal owned land.
- *Acquisition of private land by the Municipality in support of the Housing Programme –* Funding is made available from the Urban Settlements Development Grant to assist the Municipality. In addition, ongoing discussions



are taking place with private property owners in respect of the acquisition of both buildings and land.

- *Identification of well-located land suitable for social and other housing through Local Spatial Development Framework (LSDF) processes* – The LSDF process allows for basic considerations, such as to suitability and servicing, and Council applications are approved in line with this process.
- *Engagement with the Provincial Departments of Public Works and Human Settlements and the Housing Development Agency (HDA) for the acquisition of State owned land in support of the Housing Programme* – The Provincial Department of Human Settlements has made available its land asset register for use by the Municipality in the acquisition of land and property. Following evaluations undertaken on the basis of this asset register, the Fairview area has been prioritised and eight parcels are in the pipeline for acquisition in that area.

The Municipality has an Informal Settlements Upgrade Plan, which was approved by Council in 2008, to guide the upgrading of informal settlements. The purpose of the Plan is to eradicate informal settlements by 2016. The Plan includes the upgrading of 105 informal settlements, which comprise 52 *in situ* upgrades, 36 full relocations and 17 Greenfields. Altogether 24 informal settlements have been upgraded up to now (May 2012) and 6 Greenfields have been developed for relocation. There are 81 informal settlements remaining (NMBM Informal Settlements Upgrade Report, 2011), and 22 754 families are awaiting relocation (NMBM Seven Year Integrated Human Settlements Plan, 2008). The Municipality has also developed an Anti-land Invasion Strategy to prevent and control illegal land invasion. The Strategy involves making use of officials and community networks to monitor and alert the Municipality of invasions timeously, as well as upgrading areas from where people have relocated.

In the establishment of integrated human settlements, the Municipality will focus on the following supporting objectives:

- (a) The elimination of the housing delivery backlog of 80 000 units (49 000 backyard shacks and 23 411 units in informal settlements) through the provision of quality housing and the structured upgrading of informal settlements.

- (b) The formal upgrading of 15 000 sites, in line with the Upgrading of Informal Settlements Plan by 2016.
- (c) Addressing the fragmented spatial patterns of the past by:
  - (i) Revising the spatial development framework annually
  - (ii) Prioritising social housing
  - (iii) Acquiring strategic land
  - (iv) Implementing the sustainable community planning methodology
- (d) Upgrading 34 informal settlements and developing 11 Greenfields.
- (e) Relocating 15 000 households living in stressed areas (such as flood-plain areas, tip-sites and power line areas) to Greenfield developments by 2016 in terms of the Relocation Plan, which is an integral part of the Upgrading of Informal Settlements Programme.
- (f) Responding to emergency situations and rectifying defective housing units through the Rectification Programme.
- (g) Meeting requirements for Level 3 accreditation as a housing developer (setting up systems and procedures in terms of the accreditation framework and implementation plan by 2014).
- (h) Creating conducive conditions and opportunities by means of securing suitable land for the implementation of social housing and forging partnerships with social housing institutions, such as the Social Housing Cooperative (SOHCO)/Amalinda and Own Haven, as well as Imizi, which is anticipated to become a social housing partner in the near future.
- (i) Creating conducive conditions and opportunities for the implementation of affordable gap housing opportunities in appropriate and strategic locations.

## SERVICE STATISTICS FOR HUMAN SETTLEMENTS

HUMAN SETTLEMENTS SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
<b>KPA: Basic Service Delivery and Infrastructure Development</b> <b>KPE: Integrated and Sustainable Human Settlements</b>	Number of state subsidised housing units provided	3600	1682	1938	1798	2078
	Number of erven provided with permanent water and sanitation services	3000	2743	4000	4094	4000
	Number of settlements upgraded from informal to formal	1 new Greenfield area constructed and 4 in situ development areas completed	1 new Greenfield area constructed and 4 in situ development areas completed	1 new Greenfield area developed (Rosedale Extension) and 4 in situ development areas completed	90% Rosedale Extension and 5 in situ developments completed	1 new Greenfield area developed 4 in situ development areas completed
	Number of households relocated from stressed informal settlements and other servitudes to Greenfield development areas	1200	69	3000	656	1200
	Number of state subsidised defective houses rectified	6325	1133	1434	1318	237

Financial Performance Year 0: Housing Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	345271456	400424590	425679330	335595045	-19.32%
Expenditure:					
Employees	53139535	28689720	31983620	32358334	11.34%
Repairs and Maintenance	327370	117150	167150	143599	18.42%
Other	390119140	403245320	444186160	325013149	-24.07%
<b>Total Operational Expenditure</b>	443586045	432052190	476336930	357515082	-20.85%
<b>Net Operational Expenditure</b>	98314589	31627600	50657600	21920037	-44.29%
T 3.5.5					

Capital Expenditure Year 0: Housing Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	165868	137868	143504	-16%	
Khayamnandi Extension	46908	5583	27653	-70%	45,150
Motherwell NU 29 - Phase 2 Stage 2 - 890 Sites	0	14700	21978	100%	
Joe Slovo - Uitenhage Phase 1	7874	10874	16438	52%	19,678
Missionvale Garden Lots	30441	27441	14902	-104%	
Wells Estate Phase 3 - Extensions 4 & 5	16604	16604	14207	-17%	17,931
Rosedale	6473	6473	8110	20%	10,880
Water & Sewer Connections - Various	0	5200	6016	100%	
Walmer Q Phase 3	0	1800	5006	100%	6,735
Walmer Development	0	1000	4130	100%	4,461
Motherwell NU 29 - Phase 2 stage 1	20703	15903	3228	-541%	
Kwanontshinga	0	1450	2346	100%	2,921
Joe Modise Peace Village – 432 Sites - Services			2300	100%	11,649
Kleinskool Area K - Services	0	1864	2204	100%	10,652
Lillian Diedericks (Brister House) Office Renovation	0	3000	2167	100%	
Joe Modise Peace Village, Phase 2			2115	100%	1,234
Motherwell Higher Density	0	1000	1728	100%	2,559
Motherwell NU30	15018	15018	1687	-790%	1,687
Walmer Areas O – 437 Sites - Services			1685	100%	10,139

Capital Expenditure Year 0: Housing Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Motherwell NU 12	0	500	1334	100%	2,787
Jachtlakte	0	1100	1249	100%	3,740
Mandela and Rolihlala Village	0	1295	1192	100%	5,023
Roos Str – P1 - P3	0	1000	711	100%	1,249
Hunters Retreat - Grogro			689	100%	1,113
Red Location - New Brighton	0	6	602	100%	2,403
Malabar Ext 6. Phase 2	0	500	579	100%	903
Sisulu Village	0	210	513	100%	673
Masakhane Village	0	300	510	100%	510
Kuyga	0	300	167	100%	392
KwaNobuhle Area 11	0	300	159	100%	4,750
KwaZakhele: Ekhumphumleni	0	100	104	100%	534
Seaview Housing Project			71	100%	87
Land Acquisition	20000	500	58	-34383%	
KwaZakhele Infills (various Erven in Ibhayi)			23	100%	
Land Release : Township Developments - Reticulation Services			-2357	100%	
Services for Motherwell NU29	0	2000	0		
Nkatha Seyidi - Enkuthazweni	1847	1847	0		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure, as appropriate).					
T 3.5.6					

## COMMENT ON HUMAN SETTLEMENTS PERFORMANCE OVERALL

From a land planning and management perspective, the City does have land available to accommodate its Housing Programme. The challenge is to align land identification programme to target land in the inner-city area.

Of the housing delivery target of 1938 state subsidised houses to be provided, the City was able to provide 1798 units in the following areas; Walmer (209), Motherwell (285), Arcadia (202), Chris Hani (535), New Brighton (49), Kwadwesi (12), Joe Modise (222), KwaZakele (2), KwaNobuhle (33), Joe Slovo (29), Rolihlahla (27) and Mandela Village (193). This can be attributed to the backlog in the processing of Final Unit Reports (FURs) by the NHBRC and the slow start in Missionvale. In this sense, there were more units completed, but all could not be recorded. The City is now focusing on two

main projects, namely Missionvale Garden Lots, which is expected to deliver 2 500 units, and Motherwell NU29, 30 and 31, which is a pilot integrated human settlements project of about 10 500 mixed income houses, socio-economic amenities and business opportunities.

Altogether 1 318 state subsidised houses were rectified in the period under review and four land parcels were identified for social housing.

Altogether 4 094 serviced sites were provided to provide housing opportunities to communities. Four *in situ* projects were completed and 1 greenfield project upgraded (Rosedale). Sites have been serviced in the following areas for top structures to be built: Motherwell NU 29 (890), Joe Modise/Peace Village (45), Walmer Area O (187), Missionvale Garden Lots (561), Wells Estate (501), Motherwell Higher Density (109), Rosedale (160), Roos Street (28), Sisulu Village (18), Khayamnandi (898), Joe Slovo Uitenhage (522), Kwanontshinga (105) and Motherwell NU 12 (70).

Altogether 347 social housing opportunities were provided to the homeless, whilst 3377 community members were provided with housing consumer education. Altogether 656 households were relocated from stressed informal settlements to housing projects during the period under review.

In conclusion, the City is doing well in improving the lives of its communities; following the Level 3 assignment of functions it will do even better.

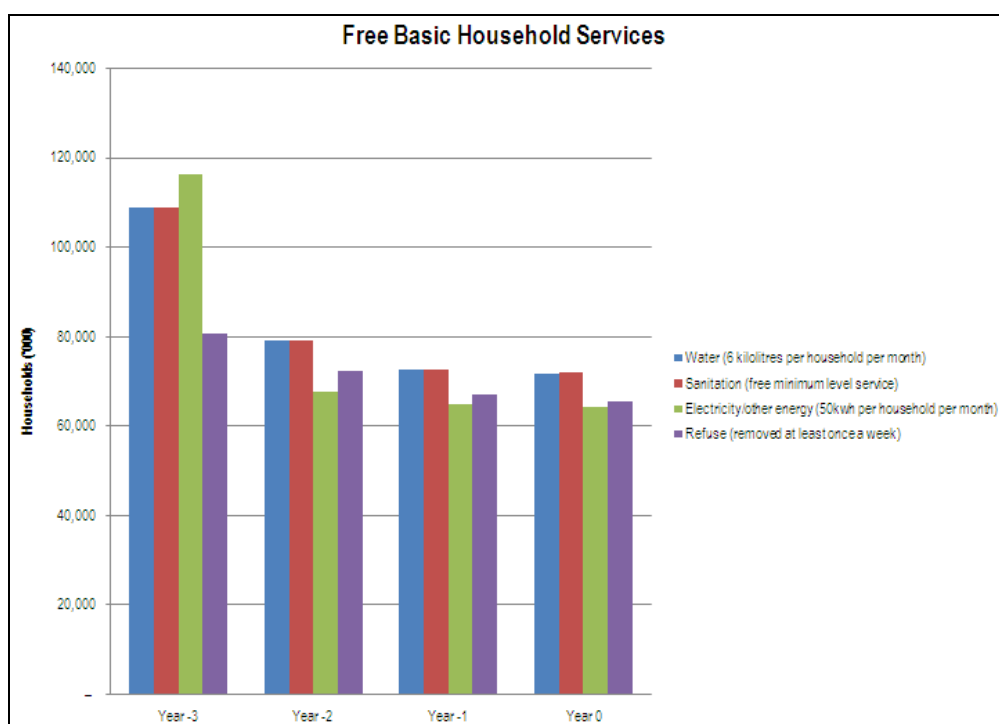
### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Indigent Subsidy Scheme was introduced by the then Port Elizabeth Municipality in July 1997, with a staff complement of 13. In 2000, National Government announced a policy intended to provide basic services to poor households (water, sanitation and energy). In 2003, the Nelson Mandela Bay Municipality adopted its Assistance to the Poor (ATTP) Policy, in line with government's directive. The qualifying criteria are that the total household income may not exceed the equivalent of two welfare state pensions, currently being R2 520; this excludes grants such as foster child grants, care development grants, and child support grants.

Currently, 39 staff members are employed, servicing a database of 71 794 indigent households.

#### SERVICE STATISTICS FOR FREE BASIC SERVICES AND INDIGENT SUPPORT



Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustments Budget	Actual	Variance to Budget
Water	54784990	67603630	67603630	56666236	-19.30%
Waste Water (Sanitation)	71985587	88170880	81343710	78605722	-12.17%
Electricity	40616362	48099980	48099980	43600981	-10.32%
Waste Management (Solid Waste)	45324229	60177260	60177260	48043566	-25.26%
Total	212711167	264051750	257224580	226916505	-16.37%
					<i>T 3.6.4</i>



**FREE BASIC SERVICES KEY PERFORMANCE INDICATOR TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Local Economic Development KPE: Poverty Eradication</b>	% households earning less than R2400 per month (2 state pensions) with access to free basic services	100%	100%	100%	99.59%	100%

**COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:**

Indigent households are provided with the following benefits:

- i) Full credit for monthly property rates
- ii) Full credit for monthly refuse
- iii) Credit (to the maximum of 8 kl of water per month)
- iv) Credit (to the maximum of 11 kl of sewerage per month)
- v) Free monthly token of 75 kwh of electricity per month

In the event that the indigent households consume more than the limit provided for by the support, the debt is written off after three months.

Section 2.1.1 of the ATTP Policy states that all miscellaneous once-off charges incurred by an ATTP beneficiary, with the exception of tampering charges, after initial registration, will be written off. Furthermore, Section 2.1.2 states that no further legal costs and call fees will be charged to ATTP accounts, with the exception of tampering charges.

Provisional quarterly information on grants and subsidies over the review period (2012/13) and budget allocation of equitable share (2012/13) are reflected below:

**Provisional Quarterly information on Grants and Subsidies (2012/2013 financial year)**

<b>Grant Details</b>					
<b>Grant Name purpose / project (list individually)</b>	<b>Total</b>			<b>Difference between Gazetted and Total Received</b>	<b>Reason for the Difference</b>
<b>NATIONAL GOVERNMENT</b>	<b>Received</b>	<b>Expenditure</b>	<b>Unspent</b>		
Equitable Share	708,783,000	708,783,000	-		The full allocation supports the Assistance to the Poor (ATTP) families and maintenance in support of service delivery. There is an ongoing drive to increase this number of recipients receiving ATTP, which will be increasing the pressure on the adequacy levels of this grant even further. Maintenance of Infrastructure is of serious concern in view of the high value of backlog maintenance in order to provide services.

<b>BUDGET ALLOCATION OF EQUITABLE SHARE (2012/13)</b>	
	<b>REVISED</b>
	<b>2012/2013</b>
<b>WATER - 0622 2742</b>	67,603,630
<b>SEWERAGE - 0446 2742</b>	81,343,710
<b>REFUSE - 0466</b>	60,177,260
<b>ELECTRICITY - 0620 0358</b>	48,099,980
<b>RATES – 0552</b>	54,195,770
<b>CALL FEE LOSS ATTP POLICY CHANGE - 0025</b>	4,800,000
	316,220,350
<b>CAPITAL CONTRIBUTION - 0551 5338(E-SHARE)</b>	10,000,000
<b>LITTER PICKERS - 0470 3409/0470 4301</b>	11,748,700
<b>INDIGENT - 0616</b>	16,361,260
<b>WATER: MAINS MAINTENANCE - 0479 1302</b>	2,000,000
<b>DISTRIBUTION MAINTENANCE SOUTH - 0504 1302</b>	6,000,000
<b>WATER LOSS DETECTION - 0505 4371</b>	17,600,000
<b>DISTRIBUTION MAINTENANCE NORTH -1583 1302</b>	6,000,000
<b>SEWERAGE: MAINTENANCE NORTH - 1626</b>	3,000,000
<b>SEWERAGE: MAINTENANCE SOUTH - 0447</b>	3,000,000
	65,709,960
<b>RATES AND RELATED INCOME - 0552</b>	321,241,440
	<b>713,171,750</b>

## **COMPONENT B: ROAD TRANSPORT**

### **INTRODUCTION TO ROAD TRANSPORT**

The Nelson Mandela Bay Municipality is required to provide safe, affordable, sustainable and accessible multi-modal transport services and infrastructure that promote integrated land use development and ensure optimal mobility for the residents and users of the transport system in the metropolitan area.

The Municipality's revised Comprehensive Integrated Transport Plan (CITP), which is applicable from 2011 to 2015 and is updated annually, recommends new capital projects for its Capital Budget in addition to those already existing.

The Municipality is in the process of implementing a new regulated public transport system, with the objective of supporting the economic and social development of Nelson Mandela Bay. The decision to implement the new system is based on the 2006 Public Transport Plan (PTP) prepared by the Municipality. The Operational Plan provides for dividing Nelson Mandela Bay into five public transport contract areas. Negotiations have commenced about the implementation of the first contract area – Central Business District to Cleary Park – whilst an interim pilot service is currently operating on seven designated routes.

### **3.7 ROADS**

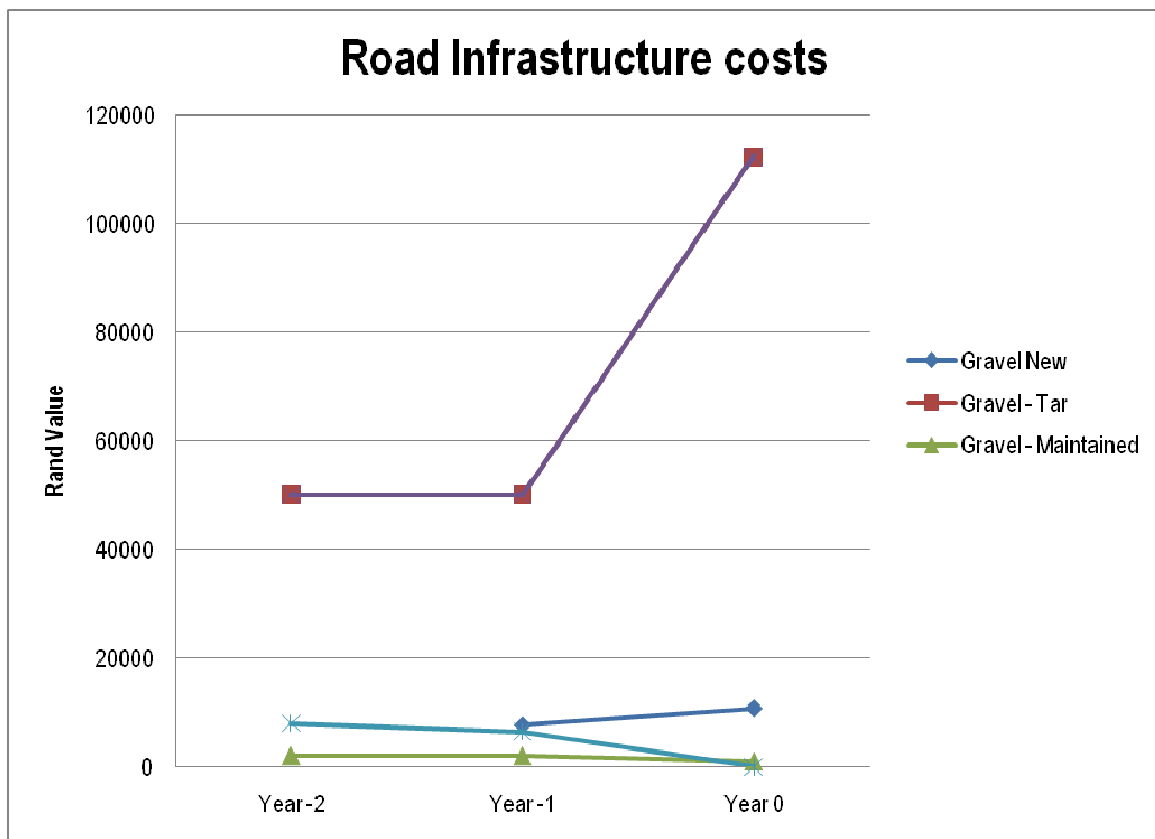
#### **INTRODUCTION TO ROADS**

The Municipality has a Roads Management System (RMS) in place, which is the master plan for all existing road infrastructure within Nelson Mandela Bay. The road centreline data, which is the backbone of the system, is currently loaded on the Corporate GIS and all the data components are linked through the Roads Management System Support Programme. Infrastructure is inspected every two (2) years and the management reports are updated.

Gravel Road Infrastructure				
				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2			10	503
Year -1	503	17	11	503
Year 0	486	24	17.8	486
T 3.7.2				

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	2875	10	8	0	2875
Year -1	2865	11	7	0	2865
Year 0	2854	17.8	0	0	2854
					T 3.7.3

Cost of Construction/Maintenance							R000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2		50,000	2,000	50,000	8000	432,800	
Year -1	7650	50,000	2,000	50,000	6500	541,000	
Year 0	10800	112,400	1,000	112,400	0	595,100	
							T 3.7.4



**ROADS SERVICE DELIVERY KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Roads and Transportation</b>	Km of gravel roads tarred	15 km	35.8km	12 km	17.81 km	11km
	Number of gravel culs-de- sac tarred	50	116	30	45	35
	Km of new sidewalks constructed	10 km	14.46km	3.5 km	4.956 km	3.5km



Financial Performance Year 0: Road Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	22709376	0	5200000	-25956209	100.00%
Expenditure:					
Employees	52329160	60770620	61021380	58904677	-3.17%
Repairs and Maintenance	56930176	54618720	61846580	58396714	6.47%
Other	77360963	47662200	75334210	48889903	2.51%
<b>Total Operational Expenditure</b>	186620299	163051540	198202170	166191294	1.89%
<b>Net Operational Expenditure</b>	163910923	163051540	193002170	192147503	15.14%
T 3.7.8					

Capital Expenditure Year 0: Road Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	122,712	150,209	134,388	9%	
Tarring of Gravel Roads	80,000	122,440	100,826	21%	Ongoing project that is being implemented in priorities 1 - 5. P1 to be completed 30 June 2014.
Provision of Sidewalks and Cycle Tracks	5,000	8,411	8,337	40%	Ongoing project that is being implemented as budget allows.
Njoli Square Redevelopment	28,062	7,000	6,940	-304%	R360 million (incl.)
Miscellaneous - Roads and Stormwater	-	1,045	3,430	100%	Ongoing.
Traffic Calming Measures	1,000	2,664	3,268	69%	Ongoing project that is being implemented as per Ward Councillors, request.
Replacement Vehicles Fleet	2,000	2,000	3,004	33%	Ongoing project to replace the Metro's ageing fleet.

Capital Expenditure Year 0: Road Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Laboratory Equipment - Scientific Services	-	1,000	2,391	100%	Ongoing
Upgrading Depots and Offices	-	-	1,955	100%	As and when required. 6th floor renovation = R3.1 million (incl.)
Access Road to Chatty Developments	-	1,823	1,823	100%	R48.6 million (incl)
New Traffic Signals	-	789	980	100%	Ongoing
H45 Redhouse - Chelsea Arterial: Walker Drive to N2	4,000	2,050	964	-315%	
Groundwater Problem Elimination Northern Areas	500	500	750	33%	Ongoing
Rehabilitate Tar Roads - Kleinskool	-	281	281	100%	R25.3 million (incl.)
Computer Upgrade – Infrastructure and Engineering	-	-	115	100%	As and when required. Sixth floor computer upgrade = R131 566 (incl.)
Addo Road	-	-	101	100%	-
Private Development Reimbursements - Roads & Stormwater	-	57	57	100%	As and when required
TM24 Guidance Signs	-	-	38	100%	Ongoing
Public Transport Facilities	-	-	26	100%	-
Realignment of Kragga Kamma Road	-	-	846	100%	-
Construction of Laboratory	1,000	-	-		R70 million
Remedial Works: Pell Street Interchange	500	-	-		R43.5 million (incl.)
Facilities for the Disabled	50	50	-		Ongoing project that is being implemented as Budget allows.
Rehabilitation of Infrastructure Salt Pans	100	100	-		Ongoing
Glen Hurd Drive Upgrading	500	-	-		R39 million (incl.)
T 3.7.9					

### **COMMENT ON PERFORMANCE OF ROADS OVERALL:**

To upgrade the standard of roads within Nelson Mandela Bay, the Municipality has been engaged in a comprehensive road tarring programme for a number of years. As is reflected above, the Municipality over-achieved on its roads related projects (tarring of gravel roads and culs-de-sac and the construction of sidewalks) during the review period.

## **3.8 TRANSPORT**

### **INTRODUCTION TO TRANSPORT**

The Municipality's revised Comprehensive Integrated Transport Plan (CITP), which is applicable from 2011 to 2015 and is updated annually, recommends new capital projects for its Capital Budget in addition to those already existing. It is envisaged that the implementation of these projects will ensure that CITP objectives will be met, which are:

- Mobility, i.e. the integrated planning of land use and transport systems should be undertaken in order to minimise the need for travel.
- Convenience, i.e. a frequent, safe and reliable public transport system should be provided, with conveniently located termini and stops.
- Reasonable cost, i.e. the total cost of provision, operation and maintenance of the metropolitan transport system should be minimised.
- Minimum side effects, i.e. transport safety should be improved and the accident rate reduced and residents should feel safe while using the Municipality's transport facilities.

### **Challenges**

- (a) The inadequate funding for roads and stormwater maintenance has led to an increase in the backlog (approximately R4 billion for maintenance and

R1,75 billion for the tarring of roads). These increase annually, as new residential areas are established and developed.

- (b) Insufficient subsidies from the Provincial Departments of Transport and Roads and Public Works.
- (c) Risk of flooding and community health and safety hazards due to poor stormwater infrastructure (estimated stormwater infrastructure backlog is R450 million; bridge and culvert structures are R295 million; and Stormwater Master Plan implementation is R2 billion).

Efforts are being made to solicit alternative sources of funding to address the challenges as outlined above.

The development of the public transport system is based on a number of important principles, which include many of the long-term objectives set out in the National Land Transport Act (NLTA) for public transport:

- Customer orientated transport system
- Integrated transport system
- Densification of transport corridors
- Contracts for public transport services operation
- Phased introduction in co-operation with the transport industry
- Regulatory framework supporting public transport

Key strategic goals and benefits:

The strategic goal for the implementation of the Integrated Public Transport System is to transform the current diversified minibus taxi, bus operations, train services and other modes of transport into an integrated Metro-wide system, which will provide the citizens with the following benefits:

- An efficient and affordable service
- Integration of various modes into a multi-modal transport service
- Improved accessibility

- A sustainable service
- A safe and reliable service

#### Critical Challenges:

- (a) Finalisation of negotiated contract for first public transport contract area.
- (b) Finalisation of construction and implementation of a call centre and fully integrated public transport operations centre at the South End Fire Station.
- (c) Implementation of the Automated Public Transport Management System and Automated Fare Collection System.
- (d) Marketing of the service in order to improve ridership.
- (e) Critical vacancies in new IPTS Project Unit to be filled.

#### Strategies to address the aforementioned challenges:

- (a) Intensifying negotiation strategy and initiatives with the taxi industry and bus company.
- (b) Fast-tracking procurement and installation of specialised equipment and systems.
- (c) Finalising specifications for connectivity and implementation.
- (d) Expanding marketing campaign and intensifying public awareness
- (e) Fast-tracking recruitment.

#### Pilot Bus Service:

A pilot bus service utilising 25 IPTS buses started operations on 21 January 2013 along seven designated routes. The pilot service provides the Municipality with an opportunity to assess the operational efficiency of the IPTS in accordance with the approved Business and Operations Plans. The pilot service is envisaged to operate for a period of twelve months.

Improved commuter demand and increased ridership is an important contributor to the success of the system, as increased revenue will reduce the operating deficit, which

has been highlighted by National Treasury as one of its key objectives for sustainable funding of the project in the short term.

During the pilot phase, ridership is expected to increase once the general public becomes more familiar with the new bus system. It is predicted that passenger occupancy will be higher during early morning and evening peak periods, but significantly lower during off-peak periods. The overall daily occupancy targets for the pilot service have been estimated as follows:

- 20% by September 2013
- 25% by December 2013
- 30% by February 2014

The following projects were implemented by the Municipality during the 2012/13 financial year:

- Tarring of Gravel Roads – R112,4 million
- Provision of Sidewalks and Cycle Tracks – R8.6 million
- IPTS – R340 million
- Njoli Square Redevelopment – R7 million

Service Delivery Priorities include:

- Tarring of Gravel Roads
- Sidewalks
- Resurfacing
- Fixing of Potholes

## SERVICE STATISTICS FOR TRANSPORT

Employees: Transport Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	5	3	5	-2	-67%
7 - 9	4	9	4	5	56%
10 - 12	6	16	6	10	63%
13 - 15	2	3	2	1	33%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	17	32	17	15	47%
					T3.8.4

Financial Performance Year 0: Transport Services					
					R000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1435459	219996530	21694530	20602241	-967.83%
Expenditure:					
Employees	11251827	12491800	12807690	12271935	-1.79%
Repairs and Maintenance	792627	651260	951260	542416	-20.07%
Other	11601990	4398790	5111790	11670913	62.31%
<b>Total Operational Expenditure</b>	23646444	17541850	18870740	24485264	28.36%
<b>Net Operational Expenditure</b>	22210985	-202454680	-2823790	3883023	5313.84%*
					T 3.8.5

\* The original Revenue budget reflected under 3.8.5 amounted to R219 996 530, which included an amount of R198 702 000, which relates to the Public Transport Infrastructure subsidy. This amount was incorrectly budgeted for under the Transport Services and should have been part of Planning, as it relates to the planning of IPTS. This amount was then corrected in the Adjustments Budget, hence the increase in the Adjustments Budget as reflected in table 3.10.5

Capital Expenditure Year 0: Transport Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	100000	340000	185553	46%	
IPTS - Work Package: Bus Rapid Transit	30000	97860	115546	74%	
IPTS - Theescombe/Gqebera Bulk Stormwater	24000	30000	31853	25%	
IPTS - Work Package: Public Transport Facilities	0	67520	28538	100%	
IPTS - Work Package: TDM and ITS	0	35000			
IPTS - Work Package: Public Transport Planning	25000	55000			
IPTS - Work Package: Roads & Public Transportation System			5824	100%	
IPTS - ICT Connectivity	0	2500	1711	100%	
IPTS - Work Package: Modal Interchanges	10000	28120	1379	-625%	
IPTS - H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	1000	2000	814	-23%	
IPTS - Work Package: Sidewalks and Cycle Tracks	0	0	49	100%	
IPTS - Work Package Pedestrian Bridges	10000	22000	-161	6311%	
					T 3.8.6

### COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The following projects were implemented by the Municipality during the 2012/13 financial year:

- Tarring of Gravel Roads – R112,4 million
- Provision of Sidewalks and Cycle Tracks – R8.6 million
- IPTS – R340 million
- Njoli Square Redevelopment – R7 million



Variances can be attributed to changes in allocation on Ward-based budgets, carry-overs and budget amendments. Targets will be attained for tarring of gravel roads, sidewalks, culs-de-sac and resurfacing, as set out in the IDP.

### **3.9 WASTEWATER (STORMWATER DRAINAGE)**

#### **INTRODUCTION TO STORMWATER DRAINAGE**

A Stormwater Assets Register for Nelson Mandela Bay was completed, in terms of which an inventory of all stormwater infrastructure was undertaken. The project entailed the development of the basic computer interface for the logging of stormwater information and the logging of piped, lined and unlined stormwater reticulation.

Stormwater master planning has been undertaken and is in progress in various areas throughout Nelson Mandela Bay, with a view to establishing, in particular, the bulk stormwater requirements for these areas. This is essential, as existing and proposed housing developments cause the existing stormwater systems to be overloaded, resulting in the flooding of properties.

The Municipality has furthermore conducted floodline studies for various catchment areas in Nelson Mandela Bay and has established a 1:100 year flood line, in terms of which development within those lines is prevented.

#### **Challenges:**

- (a) The inadequate funding for roads and stormwater maintenance has led to an increase in the backlog (approximately R4 billion for maintenance and R1,75 billion for the tarring of roads). These increase annually, as new residential areas are established and developed.
- (b) Insufficient subsidies from the Provincial Departments of Transport and Roads and Public Works.
- (c) Risk of flooding and community health and safety hazards due to poor stormwater infrastructure (estimated stormwater infrastructure backlog is

R450 million; bridge and culvert structures is R295 million; and Stormwater Master Plan implementation is R2 billion).

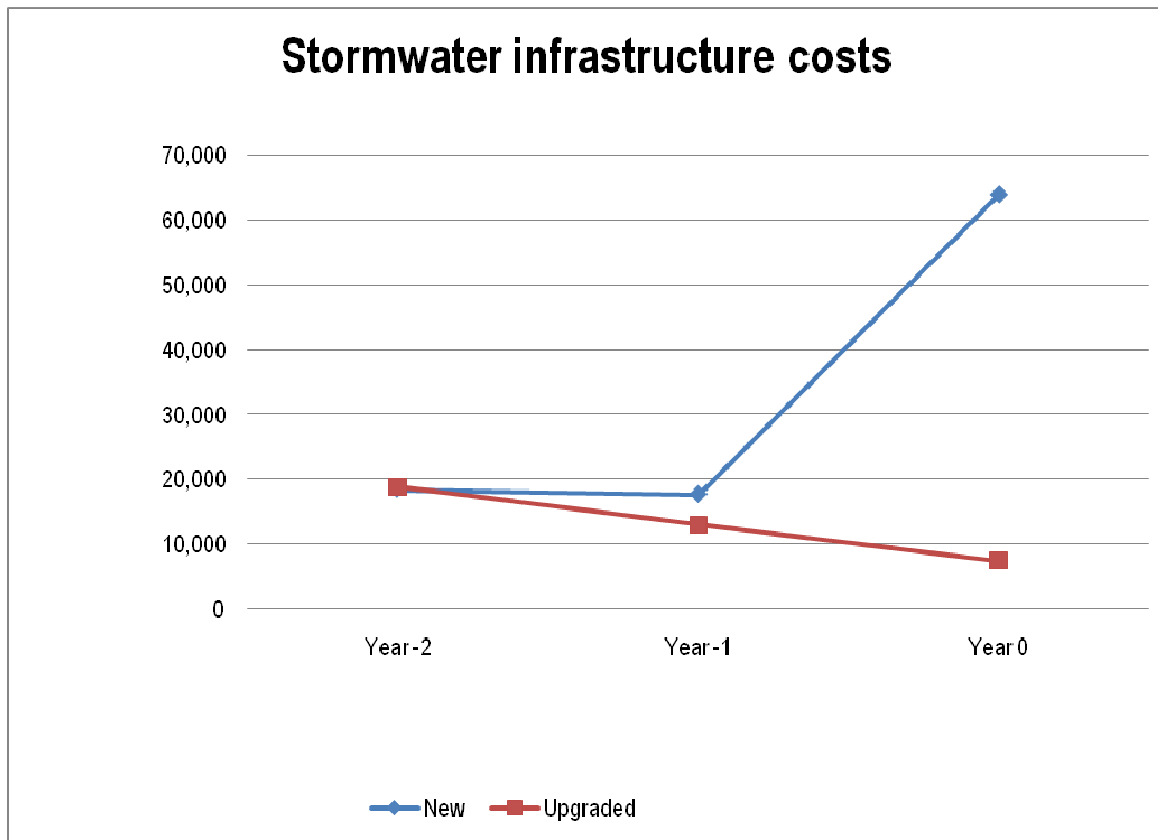
Service delivery priorities include:

- Installation of bulk stormwater to eliminate flooding
- Improved standard of living for people living in informal settlements.

### **SERVICE STATISTICS FOR WASTE WATER (STORMWATER DRAINAGE)**

<b>Stormwater Infrastructure</b>				<b>Kilometers</b>
	<b>Total stormwater measures</b>	<b>New stormwater measures</b>	<b>Stormwater measures upgraded</b>	<b>Stormwater measures maintained</b>
Year -2	660	2	2	660
Year -1	658	2	1	658
Year 0	656	3	1	656
				<i>T 3.9.2</i>

<b>Cost of Construction/maintenance</b>			<b>R000</b>
	<b>Stormwater Measures</b>		
	<b>New</b>	<b>Upgraded</b>	<b>Maintained</b>
Year -2	18,500	18,855	
Year -1	17,700	13,000	
Year 0	63,950	7,500	
			<i>T 3.9.3</i>



**STORMWATER SERVICE DELIVERY KEY PERFORMANCE INDICATOR TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Stormwater</b>	Km of stormwater drainage installed	10 km	8.92km	1 km	1.087 km	1km

Employees: Stormwater Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	179	201	179	22	11%
4 - 6	91	147	91	56	38%
7 - 9	26	35	26	9	26%
10 - 12	20	40	20	20	50%
13 - 15	6	15	6	9	60%
16 - 18	1	1	1	0	0%
19 - 20	0		0	0	#DIV/0!
Total	323	439	323	116	26%
					T 3.9.6

**Note:** Stormwater employees are combined with roads employees.

Financial Performance Year 0: Stormwater Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	559675	0	0	31852914	100.00%
Expenditure:					
Employees	0	0	0	0	
Repairs and Maintenance	31286170	35398280	33403280	30062443	-17.75%
Other	20307230	15936120	21468120	22195643	28.20%
<b>Total Operational Expenditure</b>	51593400	51334400	54871400	52258086	1.77%
<b>Net Operational Expenditure</b>	51033725	51334400	54871400	20405172	-151.58%
					T 3.9.7

Capital Expenditure Year 0: Stormwater Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	46950	46953	34411	-36%	
Missionvale: Stormwater Improvements	17000	15500	10191	-67%	R22.9 million (incl)
Bluewater Bay: Stormwater Improvements	0	0	7001	100%	Ongoing project
Stormwater Improvements	2000	5955	5916	66%	R30 million
Ikamvelihle: Stormwater Improvements	2000	2000	4129	52%	R9.4 million (incl)
KwaNobuhle: Stormwater Drainage System: Phase 2: Mondile Str.	3500	3500	3268	-7%	R25 million

Capital Expenditure Year 0: Stormwater Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from original budget	Total Project Value
New Brighton/KwaZakhele: Bulk Stormwater					Phases 1 - 7 = R34.8 million (Phase 8 to commence 2013/14 financial year)
	2000	2000	1978	-1%	
Zwide Bulk Stormwater	2000	1250	1208	-66%	
Flood Risk and Improvements (Swartkops & Chatty)	250	250	520	52%	
Flood Risk Improvements: Chatty River	200	200	200	0%	-
Installation of services in Motherwell NU29, Phase 2			0	100%	
Blue Horizon Bay Bulk Stormwater	2000	2000	0		R21.7 million
Wells Estate: Stormwater Improvement	16000	14298			
T 3.9.8					

#### COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The following projects were implemented by the Municipality during the 2012/13 financial year:

- Wells Estate: Stormwater Improvements
- Missionvale: Stormwater Improvements
- Theescombe/Gqebera (Walmer) Bulk Stormwater
- Zwide Bulk Stormwater

Variances can be attributed to changes in the allocation from the Ward-based budget and budget amendments. Targets will be attained for stormwater, as set out in the IDP.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **INTRODUCTION TO PLANNING AND DEVELOPMENT**

#### **PHYSICAL PLANNING**

The *status quo* regarding physical planning of the institution over the review period, specifically regarding opportunities and challenges, is presented below:

##### **Opportunities:**

- Reasonable staff complement, with few staff shortages in the field of planning.
- Scale of the Municipality allows a good grasp of issues and comprehensive understanding of planning issues, e.g. population demographics, environmental issues, growth potential, and good relationship with industry players.
- Almost all Local Spatial Development Frameworks for the area have been completed.
- Institution is a large land owner with sizeable portions of land scattered throughout the City.
- Approved applications are awaiting uptake should the economy improve.

##### **Challenges:**

- Lack of vibrancy in the economy.
- Fragmented legal framework not yet assisted by Spatial Planning and Land Use Management Act (SPLUMA) and challenges posted by restrictive title deed conditions.
- Alignment across all spheres of government has not been dealt with properly and will therefore not promote sustainable and integrated development.
- Enforcement of Town Planning Regulations is a challenge.
- Lack of permanent senior managers and high turnover rate, which leads to lack of consistency.

### **3.10 PLANNING**

#### **INTRODUCTION TO PLANNING**

The main elements in respect of the institution's land planning strategies are reflected below:

The Municipality's main planning strategy is to ensure the physical, environmental, social and economic integration and sustainability of the City's development, in order to overcome the inequality that currently characterises the different residential and commercial areas.

This is achieved through the creation of a conducive planning and development environment with plans that cover these aspects.

This planning strategy is underpinned by the Sustainable Community Planning (SCP) methodology, which is contained in the IDP and which governs the preparation of the Spatial Development Framework (SDF) and Local Spatial Development Frameworks (LSDFs).

The institution has an approved SDF in place, with ongoing preparation and approval of comprehensive Local Spatial Development plans (two plans were approved in 2012/13 and work for the imminent approval of four further LSDFs has been finalised).

The NMBM SDF is recognised as a benchmark for other local authorities in the Eastern Cape provincial IDP assessments.

The legislative environment hampers speedy development and the gazetting of the Spatial Planning and Land Use Management Act. Whilst this is indicative of planning legislation reform, the Act has not yet been enacted. Provincial legislation is required to effectively overhaul the current legislative system and address its unconstitutionality.



Public participation processes in LSDF processes are hampered by the absence of Ward Committees in the institution.

From an enforcement and building control perspective, numerous illegal land uses are evident in Nelson Mandela Bay, both in more affluent and poorer areas. Such illegal usage generally becomes more prevalent in difficult economic times. The proliferation of illegal house shops, taverns and businesses as well as unsafe backyard shacks in the poorer areas of Nelson Mandela Bay needs to be addressed. It should be noted, however, that the backyard shacks do provide an accommodation option, so a strategy is needed to address this issue.

The top three service delivery priorities are: formalising informal settlements; ensuring access to basic services; and ensuring access to the full range of socio-economic facilities.

The City has eliminated five *in situ* informal settlements, where legal tenure now exists on serviced sites.

In addition, one greenfield site has been developed for relocation from stressed areas.

Sustainable Community Planning Methodology is used to plan these new areas.

A multi-sectoral development and project management approach is reflected in the institution's IDP. This is achieved in two ways, firstly, through the Integrated Development Matrix, which is an approach to achieve multi-sectoral involvement in projects, as well as the Multi-disciplinary Technical Task Team, which ensures that all directorates in the Municipality are involved at senior level in major development initiatives. This approach was formalised by the City Manager in 2012/13, although it has been in operation since 2007.

## SERVICE STATISTICS FOR PLANNING

<b>*Applications for Land Use Development</b>						
<b>Detail</b>	<b>Formalisation of Townships</b>		<b>Rezoning</b>		<b>Built Environment</b>	
	<b>Year -1 2011/12</b>	<b>Year 0 2012/13</b>	<b>Year -1 2011/ 2012</b>	<b>Year 0 2012/ 2013</b>	<b>Year -1 2011/12</b>	<b>Year 0 2012/13</b>
Planning application received	5	4	138	134	7007	4540
Planning application complete	0	0	29	20	7007	4540
Planning application pending	5	4	109	114	0	0
Applications withdrawn	0	0	0	5	0	0
Applications outstanding at year end	5	4	109	109	0	0
T 3.10.2						

**Notes:**

- *Built Environment is assumed to be building plans*
- *Township establishment is both LUPO and DFA*
- *This does not include appeals*

Town planning performance information is reflected below.

<b>TYPES OF LAND PLANNING APPLICATIONS : 2012-2013</b>			
	<b>TOTAL</b>	<b>COMPLETE</b>	<b>PENDING</b>
Salt applications	354	187	167
Special consents	154	106	48
Town planning amendments	97	29	68
Site development plans	117	76	41
Town planning departures	18	10	8
Removal of restrictions	38	31	7
Unauthorised uses	228	109	119
	<b>1006</b>	<b>548</b>	<b>458</b>

**BUILDING PLANS INFORMATION FOR 2012/13**

<b>Applications outstanding 1 July 2012</b>	<b>Category</b>	<b>Number of new applications received during 2012/13</b>	<b>Total value of applications received (Rand)</b>	<b>Applications outstanding 30 June 2013</b>
None	All	4540	R2073.920.000	None

**INFORMATION ON LAND PLANNING APPLICATIONS FOR 2012/13**

<b>Time taken to approve</b>	<b>Number of applications outstanding as at 1 July 2012)</b>	<b>Total number of all processed (left the section)</b>	<b>Outstanding as at 30 June 2013</b>
30 weeks average	400 (Letter Register)	548 (Letters Register)	458 (Letter Register)

<b>APPROVAL DATABASE for 2012-2013</b>	
<b>TOTAL REZONING, SPECIAL CONSENT APPLICATIONS RECEIVED</b>	<b>REZONING AND SPECIAL CONSENT APPLICATIONS APPROVED</b>
251	105

**PLANNING (SPATIAL DEVELOPMENT) KEY PERFORMANCE INDICATOR**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Spatial Development Planning (This KPI was not included in the 2012/13 IDP but appears on the Human Settlements Directorate Scorecard)</b>	Number of Spatial Development Framework Plans approved by Council	N / A	N / A	6	4	N / A

Financial Performance Year 0: Planning Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1285502	41890090	252081380	177174988	76.36%
Expenditure:					
Employees	120710188	144339690	145709950	137109695	-5.27%
Repairs and Maintenance	2441851	3732600	20344970	3365924	-10.89%
Other	59118027	210762350	292104120	182756567	-15.32%
<b>Total Operational Expenditure</b>	182270066	358834640	458159040	323232186	-11.01%
<b>Net Operational Expenditure</b>	180984564	316944550	206077660	146057198	-117.00%
<i>T 3.10.5</i>					

#### COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The year 2012/13 saw the consolidation of the NMBM Spatial Development Framework, which was approved in 2009 by the approval of Local Spatial Development Frameworks for Happy Valley and the Western Suburbs.

In addition, extensive work was done to enable the approval of the following LSDFs in early 2014/15:

- Walmer LSDF
- Newton Park LSDF
- Greater Veeplaas LSDF
- Soweto-on-Sea LSDF
- Uitenhage and Despatch LSDF

This will ensure that the City is covered by eleven LSDFs, including all new areas of development. LSDFs for three areas only still need to be prepared.

### **3.11 LOCAL ECONOMIC DEVELOPMENT**

#### **INTRODUCTION TO ECONOMIC DEVELOPMENT**

Local economic development is a dynamic and sustainable process, which creates wealth and raises living standards. This has a number of implications, including increased entrepreneurial and business activity, as well as the improved material status of citizens through access to resources and basic services. The Municipality's Economic Development Strategy seeks to improve Nelson Mandela Bay's global competitiveness and simultaneously reduce poverty. Effectively, this Strategy recognises that Nelson Mandela Bay is part of the global economy and needs to ensure that a safety net is created for the poor.

The Municipality is committed to transforming Nelson Mandela Bay into a globally competitive and preferred destination for investors and tourists. The work of the Municipality in developing the local economy is complemented by a number of fora, such as the LED Forum, the Economic Advisory Panel and the GDS Co-ordinating Forum. In addition, a number of development agency boards are operative in Nelson Mandela Bay.

The Municipality has identified priority areas to ensure that the economic development goals of Nelson Mandela Bay are achieved. These strategic priorities include the following:

- (a) Promoting investment and maximising the economic potential of Nelson Mandela Bay and the region by supporting priority economic sectors with job creation potential.
- (b) Providing basic services and poverty relief to the most needy.
- (c) Creating an enabling environment for economic growth and development by:
  - providing the required infrastructure for growth and development;
  - streamlining administrative processes and procedures;
  - providing one point of entry and support for investors and business; and
  - providing a forum for business interaction and consultation.

(d) Prioritising community empowerment and skills development, focusing on scarce skills.

(e) Supporting the Second Economy through –

- supporting and increasing the business and entrepreneurial activities of emerging businesses and informal traders;
- SMME development and co-operative support; and
- procurement management.

The function of economic planning/development within the Municipality is administered as follows and includes:-

#### **Economic growth and development**

- To create an enabling environment for economic growth,
- To stimulate sectors that promote economic growth and job creation

#### **Investment facilitation and promotion**

- To facilitate and promote investment in Nelson Mandela Bay

#### **Business support**

- To support and grow new and existing businesses
- To promote broad-based economic empowerment

#### **Military Veterans and special sector support**

- To empower and capacitate Military Veterans and special sectors

#### **Trade and Investment**

Nelson Mandela Bay is the anchor of the Eastern Cape provincial economy and is competing at a global level due to the nature of its industries. The Region has not been immune to the global economic down-turn, as its main industry is the automotive sector, which has been negatively affected by the recession.

Through its Local Economic Development Strategy (LEDS), which also focuses on investment promotion, the Region has attracted a number of new investments, resulting in a number of jobs created. The investments include:

- a R100 million investment by Clover (100 jobs created).
- a R46 million investment by Lighting Innovation (80 jobs created).
- a R280 million investment by FWA (the plant is targeted to open in December 2013 and will create 500 jobs).

### **Strategic Project Development**

The objects of these capital projects are to create jobs in order to alleviate poverty, to provide end results that will attract tourists, etc. The targets set out in the IDP schedule were attained within the approved budget.

Progress on the following projects will be reflected in greater detail later in the report:

- Despatch Brickfields Chimney, Phase 2
- Science Centre, Uitenhage
- Upgrading of Fountain Road, Walmer
- Kwam Egqebera Ecomuseum Business Concept
- Mendi Multi-purpose Cultural Centre
- Upgrading of Belmont Terrace/Military Road/Bird Street
- Tramways Building Redevelopment
- Helenvale Urban Renewal Programme (HURP)
- Donkin Reserve Environmental Upgrade
- Redevelopment of Njoli Square
- Redevelopment of Singhapi Road

### **Beaches and Resorts**

The Municipality's mandate includes but is not limited to serving the broader public by safeguarding the recreational activities along its beaches, providing safety and security



at municipal recreational areas, and ensuring that beaches and resorts meet the set standards of excellence and are safe and user friendly, as well as by maintaining the Blue Flag status of selected beaches through the implementation of Blue Flag criteria, which include Coastal Management requirements.

## **Sports and Recreation**

This Municipality is committed to develop and upgrade its sports and recreational facilities. Nelson Mandela Bay's stature as a host of major national and international sporting events is growing, following its successful hosting of major sporting events such as the International Ironman Competition and the Sevens Rugby Series. For many years, the Bay has been known as the Watersports Capital of Africa, hosting a variety of well-known annual watersport events and angling competitions, such as the Splash Festival and the Algoa Bay Tuna Classic.

The institution has prioritised the promotion of different sporting codes in local communities, including the following:

- Capacity development programme:
  - Training 60 participants in strategic business plan development.
  - Training 50 participants in sports safety (First Aid).
- NMBM Sports Consultation Conference.
- Facilitation of hosting five (5) national championships, in line with the NMBM Events Strategy.
- Provision for viable sports programmes.
- Facilitation for community recreational programmes.

## **Arts, Culture, Heritage, Libraries and Museums**

### **Arts, culture and Libraries**

- To promote an economic environment for arts, culture and heritage.
- To promote a culture of reading and learning through the provision of library services.

### Heritage and Museums

- To promote and preserve the cultural and historic heritage of Nelson Mandela Bay.

### Poverty and Job Creation

- To contribute to halving unemployment by 2014 through the delivery of public and community services.

### SERVICE STATISTICS:

Economic Employment by Sector			
			Jobs
Sector	Year 1	Year -1	Year 0
	Number	Number	Number
Agriculture, forestry and fishing	0	0	0
Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0
Finance, property, etc.	0	0	0
Government, community and social services	8,406	3,164	7,532
Infrastructure services	0	0	0
Total	8,406	3,164	7,532
			T 3.11.3

### COMMENT ON LOCAL JOB OPPORTUNITIES:

In terms of the Protocol Agreement signed between the Nelson Mandela Bay Municipality and the National Department of Public Works, 8406 work opportunities will be created during the 2013/14 financial year within the Government, community and social services sector.

Job creation through EPWP* projects		
Details	EPWP Projects Number	Jobs created through EPWP projects Number
Year -2	71	4,185
Year -1	65	3,164
Year 0	86	7,532
* - Expanded Public Works Programme		T 3.11.6

**LOCAL ECONOMIC DEVELOPMENT KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Local Economic Development KPE: Economic Growth and Development</b>	Value of investments secured in Nelson Mandela Bay through the Nelson Mandela Bay Municipality's initiatives	Minimum of R100 million combined	Minimum of R100 million combined	R100 million	R181.5 million	N / A
	Number of emerging businesses trained on entrepreneurship: SMMEs	500	753	500	496	N / A
	Number of emerging businesses trained on entrepreneurship: Cooperatives	20	22	20	23	10 cooperatives
	Number of emerging businesses trained in entrepreneurship: Auto SMMEs	N / A	N / A	4	2	N / A
	Number of emerging businesses trained on entrepreneurship: Informal Traders	200	293	200	282	150 informal traders
	Number of emerging businesses trained on entrepreneurship: Tourism SMMEs	20	262	200	84	100

**LOCAL ECONOMIC DEVELOPMENT KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Local Economic Development KPE: Economic Growth and Development</b>	Number of SMMEs provided with startup equipment: SMMEs	10	13	10	11	10 SMMEs
	Number of SMMEs provided with start-up equipment: Auto SMMEs	N / A	N / A	4	0	5 Auto SMMEs
	Number of SMMEs in business incubator programme	N / A	N / A	40 SMMEs	40 SMMEs	N / A
	Number of farmers supported with infrastructure, equipment and raw materials	N / A	N / A	25	19	15
	Number of food gardens supported with infrastructure, equipment and raw materials	N / A	N / A	25	26	15
<b>KPA: Local Economic Development KPE: Broad-based Economic Empowerment (BEE)</b>	% tenders awarded in adherence to the broad-based empowerment targets, both in terms of number and value: (a) Previously disadvantaged	50%	36.45%	50%	39.01%	50%

**LOCAL ECONOMIC DEVELOPMENT KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Local Economic Development KPE: Broad-based Economic Empowerment (BEE)</b>	% tenders awarded in adherence to the broad-based empowerment targets, both in terms of number and value: (b) Women and youth	10%	8.65%	10%	16.46%	10%
	% tenders awarded in adherence to the broad-based empowerment targets, both in terms of number and value: (c) People with disabilities	2%	0.44%	2%	0.37%	2%
<b>KPA: Local Economic Development KPE: Job creation and Expanded Public Work Programme (EPWP)</b>	Number of learners on Infrastructure Learnership Programme	20	0	20	0	N / A
	Number of Full Time Equivalent (FTE) jobs to be created	1498	1587	2067	2166	3022
	Number of Work Opportunities (WO) to be created	5137	13592	6700	8637	8045

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	13	12	1	8%
4 - 6	18	20	18	2	10%
7 - 9	9	9	9	0	0%
10 - 12	5	6	5	1	17%
13 - 15	3	3	3	0	0%
16 - 18	7	12	7	5	42%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>54</b>	<b>63</b>	<b>54</b>	<b>9</b>	<b>14%</b>
T 3.11.8					

Financial Performance Year 0: Local Economic Development Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	97940514	137995290	150557230	104405829	-32.17%
Expenditure:					
Employees	22093262	21744590	21687150	22383612	2.85%
Repairs and Maintenance	1025810	1518250	1345950	1115307	-36.13%
Other	201332204	271615170	222997860	206721227	-31.39%
<b>Total Operational Expenditure</b>	<b>224451276</b>	<b>294878010</b>	<b>246030960</b>	<b>230220146</b>	<b>-28.09%</b>
<b>Net Operational Expenditure</b>	<b>126510762</b>	<b>156882720</b>	<b>95473730</b>	<b>125814317</b>	<b>-24.69%</b>
T 3.11.9					

Capital Expenditure Year 0: Economic Development Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	49000	73971	62137	21%	
Upgrading Helenvale Resource Centre - Multipurpose Centre	24,000	23,934	23,124	-4%	33,905
Fountain Road Redevelopment	-	28,572	18,118	100%	
Nodal and Precinct Development (Helenvale)	12,000	12,000	16,599	28%	23,125
Restoration of Despatch Brickfields Chimney	-	3,334	2,399	100%	
Pedestrian Walkways - HURP	-	66	55	100%	1,715
Motherwell Thusong Service Centre	-	1,830	826	100%	48,500

Capital Expenditure Year 0: Economic Development Services					
					R000
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
SMME Hive	10,000	900	761	-1214%	26,883
Rehabilitation of Market Building Infrastructure	-	285	253	100%	
Nelson Mandela Metropolitan Peace Park	-	50	-		4,828
Mendi Bottle Store Renovation	3,000	3,000	-		
					<i>T 3.11.10</i>

### COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The City's economy and local tourism will be invigorated by a number of key urban renewal projects, which are either completed or in various phases of completion. The details of these projects are as follows:

#### DESPATCH BRICKFIELDS CHIMNEY, PHASE 2

This project was completed during January 2013. The Despatch Brickfields Chimney structure is of historic importance, because most of the bricks with which the City of Port Elizabeth was built, emanated from the Chimney works. It was constructed in 1882 to a height of 19.6 m. It is similar to the design style typically used by the English architect William Kent. It stems from the era of the Industrial Revolution, and there is said to be only two other chimneys, similar in design, left in the world. During 1899, the second construction phase commenced and the chimney was raised to a height of 29.4 m above natural ground level.

The Chimney is located next to the Swartkops River, about 400m from the river and at an elevation of approximately 20 m above sea level.

Before the upgrading project, the chimney tower structure was in a state of disrepair, virtually on the brink of collapse.

The Metro's objectives from the start were to repair and stabilise the structure so that it would be both structurally and aesthetically sound and pleasing, as well as to make it more accessible and attractive for tourists and the general public.

### **SCIENCE CENTRE, UITENHAGE**

The Science and Technology Centre, established in the old Uitenhage Railways workshop (erected in 1876), was launched in March 2013 by Minister Derek Hanekom. It is the first science and technology centre in the Eastern Cape. Since its opening, the number of visitors has grown from 258 in February to 788 in May 2013. During school holidays the Centre holds a variety of holiday programmes.

### **WALMER – FOUNTAIN ROAD UPGRADING**

This project is located in the Gqebera Township, Walmer. It was funded by National Treasury through its Neighborhood Development Partnership Grant. Council approved the business plan for the entire project during April 2009.

National Treasury has approved the business plan (January 2010), which allows for the following projects: Pedestrian Upgrade, Community Park, Advice Centre and Youth Centre. The construction of the community park is complete, and the park was launched during September 2010.

The Advice Centre building is a contemporary off-shutter concrete structure in the round, elevated on 'V' columns, standing on a prominent corner in the heart of the community and leaning out toward the population behind a veil of aluminium louvres reminiscent of a woven grass basket. It comprises a community library facility with associated staff functions and ablutions, specifically accommodating children and the youth. Practical completion in terms of the Contract Document was achieved on 15 December 2012. The commissioning of all facilities is complete and only the provision of the upgraded water connection is required. The existing community hall and associated service spaces, including a Post Office, were in a run-down condition and the new facility has created the potential to uplift the existing structure to return desperately needed facilities to the community.



The Youth Development Centre comprises a multi-purpose indoor community sport centre with facilities for basketball and netball, a terraced public viewing facility, a performance stage and ablution facilities for public and performers. There are additional activity facilities and office accommodation with a boardroom. The low-maintenance structure comprises concrete columns, beams and slabs with facebrick and concrete block infill panels. Practical completion in terms of the building contract with Dekon Projects was achieved in May 2013. The final water and electrical connections are still to be installed and the facility must be finally commissioned for use. To enhance the viability and sustainability of the facility, a number of supporting elements should be executed, such as a caretaker's cottage, perimeter security fencing, pergolas and parking facilities.

### **KWAM EGQEBERA ECOMUSEUM BUSINESS CONCEPT**

The Municipality provided financial support to the Raymond and Didkeka Mhlaba Foundation Trust for the development of a feasibility study and business plan to guide the roll-out of the Kwam Egqebera Ecomuseum business concept in a historically rich area in the Gqebera Township.

The Kwam eGqebera project will, *inter alia*:

- complement the Fountain Road Development funded by National Treasury;
- promote self-development of the Gqebera community;
- promote entrepreneurship;
- unlock the social and economic potential within Gqebera; and
- leverage further grant funding for the development once the Feasibility Study and Business Plan are complete.

Through the Neighbourhood Development Partnership Grant (NDGP), National Treasury funded four projects in Gqebera Township, to the value of R52 million. The primary focus of the Grant was to stimulate and accelerate private sector investment in poor and underserved residential neighbourhoods by providing financing for municipal projects. This project will complement the objectives of the grant.

## **MENDI MULTI-PURPOSE CULTURAL CENTRE**

A key project of the Municipality in the new financial year is the redevelopment of the Mendi Road Bottle Store into a Multi-purpose Cultural Centre. The detail designs are being prepared and the tender will be advertised in the 2013/14 financial year. Funding has been provided over three years to implement this project. Phase One will include a hall, visual arts area, limited office space for staff, ablution blocks and a kitchen. In Phase Two, additional facilities will be added, such as rehearsal rooms, green room, sound studio, storage workshop, dressing rooms and more office space.

## **BELMONT TERRACE/MILITARY ROAD/BIRD STREET**

The upgrading of the Belmont Terrace/Military Road/Bird Street area project forms part of the MBDA's overall Master Plan and has been undertaken to give this part of the City, which links with the redeveloped Donkin Reserve and the Athenaeum Club, a new lease of life. The Bird Street area over recent years saw a spate of investments by the education and legal sectors, and the proposed upgrade will further enhance job creation, as well as contribute to the City's Gross Domestic Product and, more importantly, the rates base.

The professional design team has completed the Master Plan after an intensive public participation process, adopting a bottom-up approach. The MBDA has committed R10 million, and construction work commenced in August 2012.

As part of the Athenaeum upgrade, which is part of the Belmont Terrace/Bird Street node development, the Little Theatre was upgraded to meet in the increasing need for a space for the performing arts. In this respect, an agreement was signed between the MBDA and the organisers of the annual National Arts Festival in Grahamstown, in terms of which some Festival events will be staged in the Athenaeum.

## **TRAMWAYS BUILDING REDEVELOPMENT**

The Baakens Valley was always mooted as a redevelopment area. For some reasons, mostly because the Baakens River provided access for smaller ships in the past, the area developed as an industrial area, but it now has the potential to be developed for office, tourism, leisure, entertainment, residential and retail purposes. In 2006, the MBDA commissioned a redevelopment plan for the area and this process has now commenced, with the redevelopment of the old warehouse at the new bridge as a first project.

The redevelopment of the Tramways Building could be a further catalyst for the rejuvenation of the area for non-industrial purposes. All outstanding items regarding Heritage Impact Assessment (HIA), Provincial Heritage Resource Authority (PHRA) applications, Environmental Impact Assessment (EIA) requirements and zoning have been dealt with.

The design has been completed and a construction tender was advertised, adjudicated and awarded in January 2013, with the contractor commencing work in February 2013. Construction is expected to last 18 to 24 months. The MBDA will occupy the offices and sub-let any additional space.

While the present budget is focused on the redevelopment of the Tramways building itself, further capital will be raised to develop a pedestrian bridge across the Baakens River, and a parking area will be established on the City side bank. A foot-path will be developed between the Tramways Building and the Bridge Street development. Capital will also be raised to rehabilitate the river and investigate options to dam up the river through a weir system that will enable the formation of a water body.

## **HELENVALE URBAN RENEWAL PROGRAMME (HURP)**

In November 2011, the entire Helenvale Renewal Programme, including staff and the operational and capital budgets, was handed over to the MBDA in terms of a full Council resolution. Kfw Bank, a German development bank, who is funding major

urban renewal projects in Khayelitsha, Cape Town has pledged EUR 5 million for urban renewal projects in Helenvale. This funding is subject to the development and implementation of a staff organogram, as agreed with Kfw Bank.

The MBDA has finalised negotiations with Kfw Bank, and a financing agreement was signed by the NMBM with the MBDA, as the project implementation agent.

A Thusong Centre is being built at a cost of R38 million, while a precinct upgrade is scheduled to be undertaken at a cost of R18 million. Both these projects will be completed by July 2013. The MBDA will also be submitting a Housing Finance application to the Eastern Cape Province by the end of September 2013.

This was the first township urban renewal project handed over by the Municipality to the MBDA and fits in with the latter's strategic approach to focus on both traditional CBD and township areas. This approach is driven by the belief that until township residents feel that they are living in proper suburbs of Nelson Mandela Bay, apartheid style discrimination persists. The MBDA therefore hopes that its role in the townships will be further expanded to not only complete the "puzzle" in the CBD, but achieve the transformation of the entire Nelson Mandela Bay.

#### **DONKIN RESERVE ENVIRONMENTAL UPGRADE PHASE FOUR**

Phases One, Two and Three were completed. Phase Four, which entails the construction of an amphitheater, has commenced and will be completed in 2013.

The Donkin Reserve and Route 67 have been registered to host some of the fringe events of the National Arts Festival in Grahamstown. The MBDA is working closely with Nelson Mandela Bay Tourism (NMBT) and the Inner-city Creative Collective to ensure that the 200 000 visitors that annually pass through the City *en route* to Grahamstown will stay an extra night to view the Donkin Reserve as well as other art venues in the City.

## **NJOLI SQUARE REDEVELOPMENT**

This project comprises the development of a civic centre, supported by public transport, commercial facilities (formal and informal) and tourism facilities in the heart of one of the oldest dormitory suburbs in the City. All seventy five (75) properties within the footprint area have now been valued. The conveyancing attorneys have progressed well and, to date, have signed up agreements with 67 land owners.

## **REDEVELOPMENT OF SINGHAPI ROAD**

The MBDA has commenced with plans to upgrade Singhapi Road, the main access route to the Red Location Museum in New Brighton. A full design will be completed within six months, and the budget will focus on basic infrastructure, such as stormwater, and beautifying the entrance to this international award-winning Museum. The design will take cognizance of the heritage buildings in the area and the preservation and possible development of these buildings. The upgrade of the street will stretch over a three-year period, and construction will commence in the 2013 calendar year. Consultants have been appointed, while the first public consultation meeting was held on 9 May 2013.

## **COMPONENT D: COMMUNITY AND SOCIAL SERVICES**

### **INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES**

The Nelson Mandela Bay Municipality prioritises the provision of community and social services to all residents of Nelson Mandela Bay through, *inter alia*, 22 municipal libraries, 13 customer care centres, 31 community halls, and internationally recognized art and cultural museums, such as the Nelson Mandela Metropolitan Art Museum and the Red Location Museum of Struggle.

Nelson Mandela Bay possesses many buildings, monuments and structures of historic, architectural and cultural value. Unfortunately, a significant percentage of these is in need of repair and restoration. The Municipality is actively pursuing the preservation of this rich heritage through engagement with the relevant provincial and national authorities.

### **3.12 HERITAGE; LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; AND OTHER**

#### **INTRODUCTION TO HERITAGE; LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES**

Nelson Mandela Bay has a wealth of heritage resources that are not well known and are not well maintained. In order to ensure that they are maintained properly, a register must be compiled. In addition to the aspect of legislative compliance, the development of heritage resources will play a vital role in cultural tourism. Heritage resources will be included in the Nelson Mandela Bay Freedom Trail, which will ultimately feed into the Provincial Heritage Route.

It is a legal obligation on the Municipality to identify and grade its heritage resources to ultimately provide a heritage resources management plan for the heritage resources in its care.

Arts, Culture, Heritage and Libraries are service oriented geared to provide opportunities for development through a broad spectrum of programmes.

#### **Museums**

The Museums in Nelson Mandela Bay are places that collect, preserve, conserve, exhibit and educate about the art, memories, history, culture and heritage of the Eastern Cape, with particular focus on Nelson Mandela Bay. Nelson Mandela Bay Municipal Museums aspire to be places that the citizens of Nelson Mandela Bay value and take pride in and that will promote our city nationally and internationally.

**The strategic objectives of the Nelson Mandela Metropolitan Art Museum include:**

- building up a definitive collection of the art of the Eastern Cape, supported by a representative collection of African and South African art;
- promoting the appreciation of visual art in Nelson Mandela Bay and the Eastern Cape Province; and
- encouraging the production of visual art in the Eastern Cape and the promotion of this art nationally and internationally.

**The strategic objectives of the Red Location Museum of Struggle include:**

- the collection and preservation of cultural artifacts that are significant to the Red Location, New Brighton and Nelson Mandela Bay, specifically within the context of the Eastern Cape struggle;
- the production of exhibits and public outreach programmes that are firmly rooted in the areas of endeavor in which the Museum is or has been engaged; and
- providing a research and teaching resource for the New Brighton community and larger metropolitan community.

**Libraries**

Through its 22 libraries and 16 outreach programmes, library resources are provided in various formats to the population of Nelson Mandela Bay, in order to foster a culture of lifelong reading.

**The strategic policy objectives include:**

- the allocation of funds for libraries, culture and heritage;
- providing access to information and library services to all persons, groups and communities across Nelson Mandela Bay, especially to historically disadvantaged individuals; and
- broadening the existing mechanisms for the distribution of resources for all forms of information and culture.

**Arts Culture and Heritage**

The fundamental priorities of the Arts, Culture and Heritage Sector are the social roles of programmes geared toward previously disadvantaged communities and developing the Sector's economic potential through providing opportunities for the practitioners within the sector to participate and develop. Secondary is the creation of an enabling environment conducive for the implementation of developmental programmes, as well as the expression of creativity, culture and heritage through the establishment of infrastructure to support the growth of this industry.

The Red Location Museum and the Nelson Mandela Metropolitan Art Museum offered a comprehensive programme of exhibitions, events, educational tours and workshops designed to foster understanding and enjoyment of artworks, historical and cultural events of significance, such as those linked to the local struggle history, servicing Wards 5, 7, 10, 11, 12, 13, 15, 22, 26, 27, 30, 31 - 34, 38, 50, 54 - 57. These programmes comprised:

- 36 exhibitions
- 84 workshops (targeting teacher, youth, schools - learners/adults)
- 6 outreach projects, 2 tours and 9 workshops targeting youth and adults
- over 659 guided tours and walkabouts
- 7 education programmes



At the Municipality's 22 libraries, offerings included interactive programmes totalling two initiatives per library for the year; 16 outreach programmes, "*Reading Celebration*" and the "*South Africa Library Week*" and the celebration of National Book Week, all contributed towards promoting reading, writing and learning for developmental, educational and recreational purposes.

**The services offered by Arts, Culture and Heritage included the following:**

- A total of 285 (151 male and 134 female) artists from different genres benefitted through performances hosted by the Municipality.
- A number of learners were involved in the Heritage Awareness Programme.

**SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES**

Nelson Mandela Bay prides itself in having two internationally acclaimed and award-winning museums, namely the Red Location Museum of Struggle and the Nelson Mandela Metropolitan Art Museum.

**NELSON MANDELA METROPOLITAN ART MUSEUM**

- Visitor statistics – 16 069
- Exhibitions – 4 group exhibitions to promote local talent,
  - 7 exhibitions curated from the Museum's permanent collection
  - 2 traveling exhibitions
  - 1 solo exhibition
  - catalogue
- Events – 10 events (655 visitors)
- Walkabouts – 6 walkabouts (6 organizations/176 youth and 56 adults)
- Guided tours – 20 guided tours (18 schools/organizations, 547 students, 28 adults; Wards 3, 10, 11, 15, 22, 26)

- Self-guided tours: 33 self-guided tours (601 learners, 183 adults from wards: 1, 5, 7)
- School workshops: 34 schools, 73 workshops (1 641 learners, 105 adults from wards: 1, 3, 5, 6, 10, 12, 13, 15, 25, 27, 30, 31, 33, 34, 38, 39 and 50)
- Teacher workshops: 7 schools, 4 workshops (9 adults from Wards 3, 5, 9, 43 and 50)
- Outreach projects: 6 projects, 2 tours, 9 workshops (100 youth, 8 adults from Ward 11, 15, 32, 50 and 54-59)

### **RED LOCATION MUSEUM OF STRUGGLE**

- Visitor numbers – 1 048 088 (75% schools and 25% tourists)
- Exhibitions – 22 (permanent and temporary)
- Workshops – 4 (linked to exhibitions and research geared at uplifting of youth)
- Guided tours – over 600
- School education programmes – 7

### **LIBRARIES**

- Items used in libraries – 181 957
- Faxes by public – 2 732
- Info queries – 146 824
- Photocopies – 135 641
- Reserves – 902
- Visitors – 294 217
- Books issued at old age homes and depots – 5 670
- Total circulation of library materials – 682 259

### **HERITAGE**

- Awareness programme targeted at stakeholders, learners and communities residing next to heritage sites.
- Heritage Day Award sports ceremony, to preserve the history of sports in Nelson Mandela Bay.

## **ARTS AND CULTURE**

- Participation of artists in NMBM events.
- Partnership with Opera House to train 6 theatre groups that ultimately performed at the 2013 National Arts Festival in Grahamstown.

### HERITAGE KEY PERFORMANCE INDICATOR TAKEN FROM IDP

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
<b>KPA: Local Economic Development</b> <b>KPE: Built Heritage</b>	Number of heritage sites assessed and included in the heritage inventory	221	221	1763	0	N / A

### LIBRARIES AND COMMUNITY FACILITIES (COMMUNITY HALLS) KEY PERFORMANCE INDICATORS TAKEN FROM IDP

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
<b>KPA: Local Economic Development</b> <b>KPE: Recreation, Arts and Culture</b>	Number of programmes promoting a culture of reading implemented in all 22 libraries	2 per library (benefitting 22 libraries)	2 per library (benefitting 22 libraries)	2 per library benefitting 22 libraries	2 per library benefitting 22 libraries	4 per library benefitting 22 libraries
<b>KPE: Facilities Management</b> <b>(These KPIs have not been included in the 2012/13 IDP, but appear on the Corporate Services Directorate Scorecard)</b>	Number of community hall roofs upgraded	N / A	N / A	2 By December 2012 (Uitenhage and Despatch)	2 By December 2012 (Uitenhage and Despatch)	N / A
	Number of community halls upgraded	N / A	N / A	1 (Nangoza Jebe) By March 2013	1 (Nangoza Jebe) By March 2013	N / A

<b>Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3		173	166		
4 - 6		152	144		
7 - 9		75	72		
10 - 12		35	33		
13 - 15			10		
16 - 18			5		
19 - 20					
<b>Total</b>	0	435	430		0%
<i>T 3.12.4</i>					

<b>Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other</b>					
<b>R000</b>					
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustments Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	11933229	13688140	13822680	9893666	-38.35%
Expenditure:					
Employees	55185709	61255520	59813580	59507752	-2.94%
Repairs and Maintenance	7491357	10284610	9895740	8091597	-27.10%
Other	39373000	42842890	49967060	46360510	7.59%
<b>Total Operational Expenditure</b>	102050066	114383020	119676380	113959859	-0.37%
<b>Net Operational Expenditure</b>	90116837	100694880	105853700	104066193	3.24%
<i>T 3.12.5</i>					

<b>Capital Expenditure Year 0: Community Facilities</b>					
<b>R000</b>					
<b>Capital Projects</b>	<b>Year 0</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total Project Value</b>
Total All	0	978	1551	100%	
Upgrade of NU2 Community Hall	0	438	408	100%	
Upgrade of Halls	0	500	1108	100%	Project used as and when required
New Community Halls	0	40	35	100%	
<i>T 3.12.6</i>					

**COMMENT ON PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER**

The reconstruction of the old Mendi Bottlestore into a Multi-purpose Cultural Centre is the only capital project currently in progress. The existing building on Erf 50446, New Brighton, known as the Mendi Road Bottle Store, is a derelict municipal building that previously functioned as an Apartheid era bottlestore and beer hall. The building is abandoned and deteriorating. The site is directly opposite the Emlotheni Memorial Park and is a visual eyesore and health hazard to the immediate area. New Brighton has a long and proud history as a local source of talented artists including theatre, jazz music, art and cinema, the conversion of the disused Bottlestore into a Multi-purpose Cultural Centre will serve and develop local artists.

In 2009, the Nelson Mandela Bay Municipality and the Eastern Cape Department of Sport, Recreation, Arts & Culture signed a memorandum of understanding to unlock the R1 000 000 offered to the NMBM in 1999 for the redevelopment of the Mendi Bottlestore. The amount has now accumulated interest, bringing it up to R3,000,000.

The Matrix Urban Design CC was appointed in November/December 2010 to conduct a feasibility study to inform the redevelopment designs. The Matrix Urban Design CC was appointed in March 2012 to draw up plans and design the Multipurpose Centre, based on the findings of its feasibility study. Plans and designs were drawn up, including all technical drawings and specifications, bills of quantities and tender documentation, at a cost of R2,260,000.

The resulting cost to redevelop Mendi was estimated at R27 million, excluding VAT, to be undertaken in two phases, due to financial constraints, as well as to accommodate budget allocated through the financial years. Phase One of the construction, which will see the existing building being restored into a multifunctional performance space, will cost R19 million over three financial years. Phase Two will entail new additions to the building, i.e. rehearsal rooms, storage space, more office space, etc.

Outstanding capital projects for the next five years as identified in the IDP, which have not received budget allocations over the next three years, remain as indicated below:

- Mendi Multi-purpose Centre
- Motherwell Cultural Centre
- KwaNobuhle Cultural Centre
- PEBCO 3 and COSAS 2 Memorial
- Mendi Memorial redevelopment

### **3.13 INTRODUCTION TO CEMETERIES AND CREMATORIUMS**

#### **INTRODUCTION TO CEMETERIES AND CREMATORIUMS**

The Municipality is committed to creating and maintaining landscaped areas and cemeteries in a sustainable, aesthetic, eco-friendly and safe environment. The top three service delivery priorities are:

- Landscaping of operational cemeteries.
- Maintenance of operational cemeteries.
- Maintenance of closed cemeteries.

**SERVICE STATISTICS FOR CEMETERIES AND CREMATORIALS**

<b>CEMETERIES KEY PERFORMANCE INDICATOR TAKEN FROM IDP</b>						
<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Parks and Cemeteries</b>	Number of operational cemeteries landscaped	12	7	4	5	4



Employees: Cemeteries and Crematoriums						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	209	209	209		0	
4 - 6	97	97	97		0	
7 - 9	38	38	38		0	
10 - 12	8	8	8		0	
13 - 15	4	4	4		0	
16 - 18	0	0	0		0	
19 - 20	0	0	0		0	
<b>Total</b>	<b>356</b>	<b>356</b>	<b>356</b>	<b>0</b>	<b>0</b>	

T 3.13.4

Financial Performance Year 0: Cemeteries and Crematoriums					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	4230090	5016350	5584500	6358544	21.11%
Expenditure:					
Employees	12709504	14736230	13733670	13526465	-8.94%
Repairs and Maintenance	212501	154070	269700	239165	35.58%
Other	7047813	6645320	9173680	9634184	31.02%
<b>Total Operational Expenditure</b>	19969818	21535620	23177050	23399814	7.97%
<b>Net Operational Expenditure</b>	15739728	16519270	17592550	17041270	3.06%

T 3.13.5

Capital Expenditure Year 0: Cemeteries and Crematoriums					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	2000	1023	1023	-96%	
Cemeteries	1000	1023	1023	2%	There are no current contracts relating to Cemetery Development.
Computerisation of cemeteries	1000	0	0		

T 3.13.6

## **COMMENTS ON PERFORMANCE OF CEMETERIES AND CREMATORIALS OVERALL:**

Priority areas for this function include: rehabilitation of roads at Motherwell, Matanzima and Bloemendal Cemeteries; construction of berms in Bloemendal, Bethelsdorp, Gqebera and Forest Hill Cemeteries.

### **3.14 SPECIAL SECTORS PROGRAMME (YOUTH, AGED, CHILDREN, PEOPLE WITH DISABILITIES, WOMEN)**

The Nelson Mandela Bay Municipality established an institutional framework for the coordination and facilitation of the mainstreaming of the best interests of youth, women, children, people with disabilities and older persons within Council priorities, which are reflected in plans, projects and programmes of municipal directorates.

The responsibility for Special Sectors is allocated to a Mayoral Committee member (Constituency Coordination), with support from dedicated Desks Councillors for youth, women, children, persons with disabilities and older persons, under the direct administration of the Special Sectors Development Unit.

The alignment, integration, mainstreaming, development and empowerment of special sectors are coordinated and facilitated with the cooperation, understanding and implementation by various directorates and relevant roleplayers. These are achieved, amongst others, through the following mechanisms:

- (a) Entrepreneurial support and skills development programmes.
- (b) Learnership and internship programmes.
- (c) Decent work and increased employment opportunities for women, youth and persons with disabilities.
- (d) Supply Chain Management Processes.
- (e) Expanded Public Works Programme and National Youth Service Programmes initiatives

- (f) Broad-based Black Economic Empowerment
- (g) Organisational structure that relates and speak to the strategic interest of advocacy, lobbying, policy work and mainstreaming mechanisms of each of the designated groups, such as youth, children, women, young women, older persons, men, military veterans, amabutho and people with disabilities.

# SERVICE STATISTICS FOR SPECIAL SECTORS PROGRAMME

SPECIAL SECTORS PROGRAMME KEY PERFORMANCE INDICATORS TAKEN FROM IDP						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development	Number of ward committees established	60 By June 2012	0	60 By June 2013	0	60 by September 2013
	Number of Ward Committee meetings held (per ward per annum)	6	0	6 per ward	0 per ward	60 by June 2014
	Number of women and people with disabilities provided with entrepreneurship training: women	120	89	120	393	120 (women)
	Number of women and people with disabilities provided with entrepreneurship training: people with disabilities	30	1	30	15	30 (people with disabilities)
	Number of National pride celebrations hosted	10.00	7	10 (International Women's Day, Human Rights Day, Freedom Day, May Day,	9 (National Women's Day: 24 August 2012; Heritage Day: 19 September 2012; Childrens Day: 28	12 (International Women's Day, Human Rights Day, Freedom Day, International

**SPECIAL SECTORS PROGRAMME KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development</b>				International children's Day, Youth Day, Women's Day, Heritage Day, Aged Day, International Disability Day)	November 2012; Aged Day: 3 December 2012; International Disability Day: 6 December 2012; International Women's Day: 8 March 2013; Human Rights Day: 21 March 2013; Freedom Day: 27 April 2013; Youth Day: 16 June 2013)	Children's Day, Youth Day, Mandela Day, Women's Day, Heritage Day, Aged Day, National Children's Day, 16 Days of Activism, International Disability Day)
	Number of youth provided with entrepreneurship training	120	291	120	412	120
	Number of peri-urban youth brigades focusing on one or more of the following: literacy, environmental protection, HIV/AIDS and education	10	0	10 (Wards 40 and 60)	10 (Wards 4, 10, 16, 20, 30, 40, 41, 43, 52, 56)	10 (Wards 40 and 53)

**SPECIAL SECTORS PROGRAMME KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development</b>	Number of youth co- operatives established in any of the following identified focus areas: Film and Video, Gas distribution, Building Material, Waste Collection	N / A	N / A	3	0	5

Financial Performance Year 0: Child Care; Aged Care; Social Programmes					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	-1060	1060	0	#DIV/0!
Expenditure:					
Employees	1208922	1384320	1232000	1462935	5.37%
Repairs and Maintenance	1036	48700	78700	71608	31.99%
Other	519603	1616000	1553610	1082149	-49.33%
<b>Total Operational Expenditure</b>	1729561	3049020	2864310	2616692	-16.52%
<b>Net Operational Expenditure</b>	1729561	3050080	2863250	2616692	-16.56%
T 3.14.5					

### COMMENT ON PERFORMANCE OF SPECIAL SECTORS PROGRAMME

The Council adopted policies that were elaborated into frameworks of action plans for each of the sectors. These were done with the support of SALGA, COGTA and other national institutions, including the National Youth Development Agency and the Ministry of Women, Children and People with Disabilities.

It was out of these efforts that Youth Advisory Centres (Youth Development Centres) were established at five centres in the City in order to create an enabling environment for young people to access opportunities for their development and empowerment on all disciplines.

Some of the initiatives to be undertaken to support and strengthen special sectors (youth, women and people with disabilities) include the following:

Entrepreneurship Training to the value of R150 000 covering the various Wards in Nelson Mandela Bay:

- Women (120) – R50 000
- Youth (120) – R50 000
- People with Disabilities (30) – R50 000

The Municipality has further set a target to train an additional 100 youth within Motherwell through the Motherwell Urban Renewal Programme in terms of entrepreneurship support to the value of R170 000. In addition, 40 youth are set to benefit from youth learnership programmes, to the value of R160 000.

In terms of the Nelson Mandela Bay Municipality's supply chain management processes, 10% of tenders are set to be awarded to women and youth, in adherence to the Broad-based Economic Empowerment targets of the institution.

Investors in Nelson Mandela Bay are encouraged to employ youth in their operations. To this end, the recently established Coega Call Centre employed 50 youth and the Lighting Innovation Centre in Greenbushes employed 98 youth, of which 80 are from Nelson Mandela Bay.

In addition to the above initiatives, the Municipality also runs Unemployed Graduates and Experiential Trainees' Programmes, to provide opportunities for new entrants to the labour market to gain work experience. Altogether 51 unemployed graduates and 11 in-service/experiential trainees are employed by the Municipality within various fields, such as HR and Administration; Financial Management; Engineering; Economic Development; Communications; Legal; and Health and Environment.



## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

The Nelson Mandela Bay Municipality has prioritised the protection of the rich natural resources and heritage of Nelson Mandela Bay. The City and region carry the rare distinction of accommodating five of the seven biomes identified in South Africa. The institution protects this heritage, which comprises a number of reserves and parks, such as the Settlers Park Reserve, which runs like a green lung through the City, and the Van Staden's Wildflower Reserve, through a spectrum of policies and plans, such as the Environmental Management Plan and Metropolitan Open Space System. Its 42 km expanse of unspoilt beaches is generally regarded as the City's biggest natural asset, which the Municipality protects through its Coastal Management Plan,

The Municipality is also running awareness programmes for local communities to raise their awareness of the dangers of littering and dumping waste, as well as the pollution of the City's precious water resources, such as its network of rivers.

### **3.15 POLLUTION CONTROL**

#### **INTRODUCTION TO POLLUTION CONTROL**

The Municipality *inter alia* undertakes the following roles and responsibilities with regard to environmental pollution control:

##### **(a) Environmental Pollution Control**

- Ensuring hygienic working, living and recreational environments.
- Identifying the polluting agents and sources of water, air and soil pollution.

- Conducting environmental health impact assessments of development projects and policies, including assessments of major hazard installations.
- Identifying environmental health hazards and conducting risk assessment and mapping thereof.
- Ensuring clean and safe air externally (ambient and point sources) through emission inventory monitoring, modeling and toxicological reports, reviews and complaint investigations.
- Controlling and preventing vibration and noise pollution.
- Preventing and controlling soil pollution that is detrimental to human, animal or plant life.
- Ensuring compliance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), and its regulations, including anticipating, identifying, evaluating and controlling occupational hazards.
- Taking the required preventative measures to ensure that the general environment is free from health risks.
- Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal effects of pollution on the worker and the external effects of pollution on the community and the environment.

**(b) Environmental Noise Control**

- Assessing the extent of noise pollution and its effects on human health.
- Facilitating noise control measures.
- Measuring ambient sound levels and noise levels.

## SERVICE STATISTICS FOR AIR POLLUTION CONTROL

- 112 new complaint investigations with regard to Air Pollution Control were undertaken:

Categories of complaints received	Number of complaints
Excessive smoke	14
Grit, dust, soot and sawdust	14
Offensive odours/fumes	27
Burning of garden and other refuse	18
Other (spray painting)	39

- 200 follow-up inspections were conducted:

Category	Number of inspections
Excessive smoke	38
Grit, dust, soot and sawdust	50
Offensive odours/fumes	38
Burning of garden and other refuse	26
Other (spray painting)	48

- 82 compliance monitoring inspections were conducted:

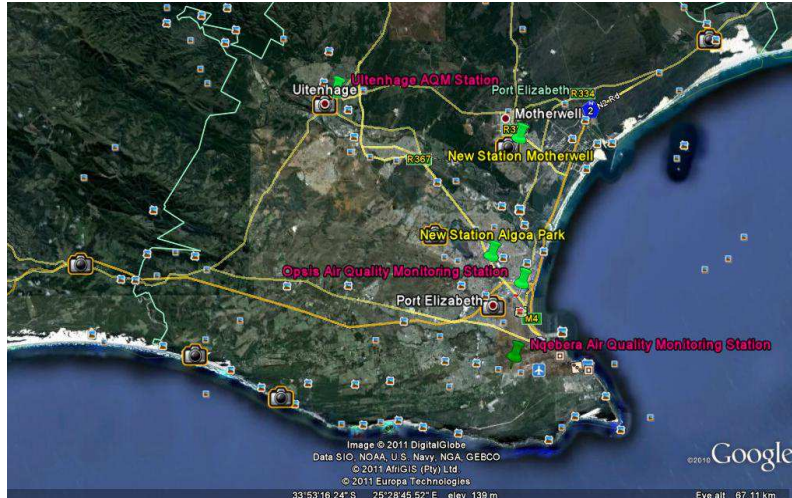
Routine visits to fuel burning installations	13
Applications for controlled burning	49
Applications to install new fuel burning equipment	20

- Air Quality Monitoring

An ambient air quality monitoring network, consisting of five fixed point monitoring stations, has been established to monitor compliance with National Ambient Air Quality Standards for the following criteria pollutants:

- Sulphur Dioxide ( $\text{SO}_2$ )
- Nitrogen Dioxide ( $\text{NO}_2$ )
- Carbon Monoxide ( $\text{CO}$ )
- Particulate Matter ( $\text{PM}_{10}$ )
- Ozone ( $\text{O}_3$ )
- Benzene ( $\text{C}_6\text{H}_6$ )

These stations are located in the geographical areas as per the map below, namely Gqebera, Motherwell, Algoa Park, Sydenham and Uitenhage.



Ambient air quality monitoring is conducted according to accepted norms and standards in order to ensure integrity, quality and representativeness of the resultant data. The data quality objective for the ambient air quality monitoring stations is set for a minimum data capture rate of 90% for all pollutants, except for Ozone of 75% during winter, in line with the requirements of the National Framework for Air Quality Management in the Republic of South Africa.

- Atmospheric Emission Licensing System

The Nelson Mandela Bay Municipality is a Licensing Authority for implementing the licensing system set out in Chapter 5 of the National Environmental Management: Air Quality Act, 2004. Statistics for the reporting period are as follows:

Atmospheric Emission License Applications received	31
Atmospheric Emission Licenses issued	7
Atmospheric Emission Licenses being processed	24
Atmospheric Emission Licenses received to date	46

- Diesel Vehicle Emission Testing Programme

Total Number of Vehicles Tested	277
Total Number of Vehicles Failed	9
Repair Notices Issued	9

## SERVICE STATISTICS FOR ENVIRONMENTAL NOISE CONTROL

- 113 new complaint investigations with regards to Environmental Noise Control:

Categories of complaints received	Number of complaints
Amplified music	54
Panel beating	6
Plant (air conditioners)	10
Other (cutting machines)	43

- 317 follow-up inspections conducted:

Category	Number of inspections
Amplified music	172
Panel beating in residential areas	25
Plant (air conditioner units etc.)	44
Other sources (noisy birds)	76

- Authorization for Open Air Music Events

Applications received	164
-----------------------	-----

- Health Education

Health education presentations Conducted	100
---	-----

Employees: Pollution Control					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	3	3	3	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	6	6	6	0	0
					<i>T 3.15.4</i>

Financial Performance Year 0: Pollution Control					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	979865	723650	1007100	1359629	46.78%
Expenditure:					
Employees	8421843	9513590	9957010	9360848	-1.63%
Repairs and Maintenance	1028895	1011490	1098290	854327	-18.40%
Other	4397943	6222140	6590440	6313482	1.45%
<b>Total Operational Expenditure</b>	13848681	16747220	17645740	16528657	-1.32%
<b>Net Operational Expenditure</b>	12868816	16023570	16638640	15169028	-5.63%
<i>T 3.15.5</i>					

Capital Expenditure Year 0: Pollution Control					
R000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	250	287	100%	
Vehicles for Noise Control	0	250	287	100%	As and when required
<i>T 3.15.6</i>					

### COMMENT ON PERFORMANCE OF POLLUTION CONTROL OVERALL:

As is reflected in the tables above, the Municipality operates a number of programmes to ensure water and air purity and has received official confirmation that its air and water quality meets the prescribed national standards.

### 3.16 BIO-DIVERSITY; LANDSCAPE AND OTHER

#### INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

The Municipality is committed to creating and maintaining landscaped areas and cemeteries in a sustainable, aesthetic, eco-friendly, safe environment to improve quality of life of all. The top three service delivery priorities are:

- Maintaining existing Play Parks
- Planting of Trees
- Maintaining Public Open Spaces (POS)

## SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

BIO-DIVERSITY AND LANDSCAPING KEY PERFORMANCE INDICATORS						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
<b>KPA: Basic Service Delivery and Infrastructure Development</b> <b>KPE: Environmental Management (This KPI was not included in the 2012/13 IDP, but appears on the Public Health Directorate Scorecard)</b>	Development of Biodiversity Stewardship Management Plans	N / A	N / A	Biodiversity Stewardship Management Plans developed	Target Not Met	N / A
<b>KPA: Basic Service Delivery and Infrastructure Development</b> <b>KPE: Parks and Cemeteries</b>	Number of existing play parks maintained	N / A	N / A	6	12	N / A
	Number of trees planted	790	1483	1300	1600	N / A
	Number of operational cemeteries landscaped	12	7	4	5	4



Financial Performance Year 0: Bio-Diversity; Landscape and Other					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	25664938	3090840	3381540	281016	-999.88%
Expenditure:					
Employees	57410325	65133540	65457380	62203944	-4.71%
Repairs and Maintenance	2981160	3511990	3483010	3305486	-6.25%
Other	159873413	161803250	208762840	184501301	12.30%
<b>Total Operational Expenditure</b>	220264898	230448780	277703230	250010731	7.82%
<b>Net Operational Expenditure</b>	194599960	227357940	274321690	249729715	8.96%
T 3.16.5					

Capital Expenditure Year 0: Bio-Diversity; Landscape and Other					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	8600	10030	6857	-25%	
Upgrade and Development of Public Open Spaces	2500	2500	3035	18%	Ongoing developments
Beachfront	1500	1680	1583	5%	Ongoing developments
Upgrade Pearson Conservatory	0	0	-22	100%	5500
Re-instatement of Embankment - Tygerbay/Coastal Revetments	600	600	1534	61%	Ongoing coastal works
Implementation - Van Der Kemp's Kloof	1500	250	235	-539%	8000
New Playground Equipment	2500	0	0		No contract in place
Brookshill Promenade Rehabilitation	0	5000	492	100%	7000
T 3.16.6					

## **COMMENT ON PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER**

During the review period, the Municipality focused on the following projects:

- Upgrading and development of Public Open Spaces
- Beachfront: Upgrading of picnic facilities between the Beacon and Flat Rocks
- Construction of revetments between Shark Rock Pier and Humewood Beach
- New camera and mast at Shark Rock Pier

## **COMPONENT F: HEALTH**

### **INTRODUCTION TO HEALTH**

At this stage, the Municipality carries reduced responsibility for the promotion of health of the residents of Nelson Mandela Bay as a result of the removal of the 42 erstwhile municipal clinics from its management and care. The Municipality, however, still focuses on HIV and AIDS management, through its HIV and AIDS Plan, which is aligned to the National HIV, AIDS, STI and TB Strategic Plan (2012-2016) which was launched by President Zuma on World AIDS Day, 1 December 2011.

### **3.17 CLINICS**

On 27 October 2011, Council resolved to provincialise its Primary Health Care Services to the Eastern Cape Department of Health (ECDoH). On 29 December 2011, the transfer agreement was signed between the NMBM and the ECDoH. In terms of the transfer agreement, the services were transferred to the ECDoH on 1 January 2012, but the affected NMBM employees were transferred on 1 July 2012 only.

### **3.18 AMBULANCE SERVICES**

The provision of ambulance services falls outside the role and responsibilities of the Nelson Mandela Bay Municipality. This function is performed by the Eastern Cape Department of Health.

### **3.19 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION**

#### **INTRODUCTION TO HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION**

The Municipality focuses on aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. In this, it focuses on the theory and practising of assessing, correcting, controlling and preventing environmental factors that can adversely affect the health of present and future generations.

The top three service delivery priorities of the Municipality are as follows:

- Constant evaluation of all milking parlours to ensure that the milk produced for the community complies with the Foodstuffs, Cosmetics and Disinfectants Act.
- Monitoring of formal and informal food handling premises evaluated and certified in terms of the Foodstuffs, Cosmetics and Disinfectants Act.
- Constant monitoring of fortification of flour and maize and iodations of salt at producers in accordance with the Foodstuffs, Cosmetics and Disinfectants Act.

**SERVICE STATISTICS FOR HEALTH INSPECTIONS, ETC.**

<b>HEALTH INSPECTIONS KEY PERFORMANCE INDICATORS</b>						
<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development</b> <b>KPE: Environmental Health</b> <b>(These KPIs have not been included in the 2012/13 IDP, but appears on the Public Health Directorate Scorecard)</b>	Number of formal and informal food handling premises evaluated and certified in terms of the Foodstuffs Cosmetics and Disinfectants	1200	1411	1200	2059	240
	Number of milking parlours evaluated and certified in terms of the Foodstuffs Cosmetics and Disinfectants Act	20	86	20	62	N / A

Employees: Health Inspection and Etc					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0%
4 - 6	1	1	1	0	0%
7 - 9	13	13	13	0	0%
10 - 12	15	15	15	0	0%
13 - 15	4	4	4	0	0%
16 - 18	3	3	3	0	0%
19 - 20	1	1	1	0	0%
Total	41	41	41	0	0%
T 3.19.4					

Financial Performance Year 0: Health Inspection and Etc					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	126743914	97680	201290	683826	85.72%
Expenditure:					
Employees	156908344	97168310	99730400	97357012	0.19%
Repairs and Maintenance	648736	826100	974630	838762	1.51%
Other	37996379	38134030	39947960	124087187	69.27%
<b>Total Operational Expenditure</b>	195553459	136128440	140652990	222282961	38.76%
<b>Net Operational Expenditure</b>	68809545	136030760	140451700	221599135	38.61%
T 3.19.5					

### COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL:

Good performance was recorded by the Municipality in ensuring a safe, healthy and secure environment. In this regard, 62 milking parlours were evaluated and certified against a target of 20; while 2 059 formal and informal food handling premises were evaluated and certified, against a target of 1 200.

## **COMPONENT G: SECURITY AND SAFETY**

### **INTRODUCTION TO SECURITY AND SAFETY**

The Nelson Mandela Bay Municipality is responsible for ensuring the safety and security of all residents, the business community, tourists and municipal properties of the Nelson Mandela Bay. The services provided by the Municipality in the above regard are as follows:

- Road traffic management
- Fire and emergency services
- Internal security services
- Disaster risk management services

In fulfilling the above responsibilities, the institution is required to comply with certain prescribed acts, regulations and by-laws, which guide and inform strategies, policies, procedures and practices. To ensure that all of the above responsibilities are carried out with due diligence, compliance with the regulatory guidelines required for maintaining a safe and a secure environment is necessary.

#### **3.20 MUNICIPAL POLICE**

The Nelson Mandela Bay Municipality did not have a Municipal Police Service in place during the review period. The establishment of a Municipal Police Service will be prioritised in the next financial year.

### 3.20.1 SECURITY SERVICES

The security services provided by the institution are as follows:

- A guard force to provide access control and patrols at strategic municipal localities;
- Investigation of Council losses/thefts/damage or misuse of assets;
- Monitoring localities and rapid response to any alarm conditions;
- Supervision of all sites guarded by contract security services;
- Armed escorts and other relevant functions;
- Security surveys and recommendations to directorates to prevent loss and potential loss
- By-law enforcement;
- Integrated firearm management.

### SERVICE STATISTICS FOR SECURITY SERVICES

Security Services					
	Details	Year 2011-12	Year 2012-13		Year 2013-14
		Actual Number	Estimate Number	Actual Number	Estimate Number
1	Number of by-law infringements attended to	186	180	231	180
2	Number of Security Officers in the field on an average day	17	17	25	20
3	Number of Security Officers on duty on an average day	64	64	71	70
T 3.20.1.1					

**SECURITY SERVICES KEY PERFORMANCE INDICATOR TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Protection of Municipal Staff and Assets</b>	Number of additional CCTV cameras installed	14	158	10 (Missionvale, Swartkops, Malabar, Njoli, Soweto-on-Sea, Motherwell, Wells Estate, Ikamvelihle, Helenvale and mobile/roving camera)	12	10



Employees: Security Services					
Job Level	Year 2011-12	Year 2012-13			
Police	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	301	301	301	0	0%
10 - 12	27	35	27	8	23%
13 - 15	0	0	0	0	0%
16 - 18	4	5	4	1	20%
Total	332	341	332	9	3%
T 3.20.1.3					

Financial Performance Year 2012-13: Security					
R000					
Details	Year 2011-12	Year 2012-13			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>				95	100%
Expenditure:					
Employee related	52944292	54117920	54117920	57434737	6%
Depreciation	679124	23230	23230	597491	96%
Repairs and Maintenance	1323646	1757650	1757650	1323646	-33%
Other	5735683	4800830	4800830	5804441	17%
<b>Total Operational Expenditure</b>	60682745	60699630	60699630	65160315	7%
<b>Net Operational Expenditure</b>	60682745	60699630	60699630	65160220	7%
T 3.20.1.4					

### COMMENT ON PERFORMANCE REGARDING SECURITY SERVICES:

The Municipality's overall performance relating to security services indicates signs of improvement and the commitment to build on positive growth by actively involving all internal and external roleplayers, as this is an essential part of achieving the integrated objectives.

### **3.20.2 TRAFFIC AND LICENSING SERVICES**

The Traffic and Licensing Service Sub-directorate is striving to achieve and maintain a better image by delivering outstanding quality of service to the public, by staff well trained, motivated to serve efficiently, courteously and with integrity, complying with various legislative requirements, including but not limited to the National Road Safety Act 93 of 1996, as amended.

The institution's vision is the enhancement of the safe and free flow of traffic in the municipal area and its motto is to serve local communities and visitors with integrity, through law enforcement services, licensing services, legal process and municipal court, support services and training services.

#### **Law Enforcement Services**

Law enforcement services include traffic law enforcement, regular precinct patrols, speed enforcement, checking for overloading (in both passenger and goods vehicles), roadblocks, public transport, parking enforcement and criminal arrests.

#### *Preventative Traffic Activities*

Preventative traffic activities are aimed at prompting road safety, including:

- Road safety information campaigns
- Accident analysis
- Visible patrols (cars, foot, horse, etc.)
- Engineering (advisory status)
- Stray animal control

### *Traffic Flow*

Free traffic flow reduces congestion and ensures safe and easy access to all roads. Methods by the Municipality to promote traffic flow include point duty, especially near schools and busy intersections; escort duties during protest marches; VIP escorts, etc.; traffic control during special events; and incident scene assistance.

### **Licensing Services**

Licensing Services is tasked with the responsibility of providing effective and efficient licensing services to the residents of Nelson Mandela Bay through a Driving License Testing Centre and Roadworthy Centre.

#### *Driving Licence Testing Centres*

The two centres in Nelson Mandela Bay are located in Durban Road, Korsten and in Cuyler Street, Uitenhage. The functions of a driving license testing centre include the testing and issuing of learners and drivers' licenses, and the renewal of drivers license cards.

#### *Roadworthy Centre*

The institution's Roadworthy Centre is located at the Traffic and Licensing Services offices at the corner of Creswell Street and Sidwell Avenue. The Centre is responsible for testing the roadworthiness of vehicles; issuing roadworthy and vehicle fitness certificates; and managing the weighbridge facility.

### **Legal Process Municipal Court Services**

These services entail legal process services; municipal court services; and warrant of arrest services.

Legal process services are rendered at offices in both Port Elizabeth and Uitenhage and entail the issuing of traffic fines for offences captured on camera; the acceptance of traffic representations from the public; the handling of queries in relation to traffic fines issued, etc.

Nelson Mandela Bay has two municipal courts, one in Port Elizabeth and the other in Uitenhage. The courts are tasked with dealing with traffic representations submitted by members of the public; the prosecution of traffic offences; arrangement of trial dates; and issuing of warrants of arrests for failure to appear in Court.

The Warrants of Arrest Section, with offices in Port Elizabeth and Uitenhage, is made up of Traffic Officers whose main function is to execute warrants of arrest against motorists declared to be in contempt of Court. The warrants of arrests are normally executed through house visits; regular patrols; and roadblocks.

### **Support Services**

The Support Services Division, which also boasts offices in Port Elizabeth and Uitenhage, focuses on fines; records; accidents; planning and research; and parking meters.

#### *Fines*

Services are provided around the payment of fines and of auxiliary services, i.e. traffic assistance, parking discs for people with disabilities, water and lights, towing and storage of impounded vehicles, etc.

#### *Accident Bureau*

The Accident Bureau is tasked with processing motor vehicle accidents and providing accident reports to the general public.

### *Planning and Research Services*

Planning and research services include conducting traffic surveys to determine the latest traffic trends and providing statistical feedback, which is then used to determine future plans and secure optimal utilisation of resources.

### *Parking Meter Services*

Parking meter services include the installation and maintenance of parking meters.

### **NMBM Traffic College**

The Traffic College is situated in Lakeside Road, Greenbushes, about 25 kilometers outside Port Elizabeth. It is regarded as one of the best Traffic Colleges in the country, boasting highly qualified instructors with a passion for their profession. The College offers both internal and external training courses, focusing on training in a broad spectrum of areas (Municipal Police Officers, Traffic Officers, Traffic Wardens, Peace Officers and Examiners for Driving Licenses).

The Junior Commanders' Course offered only to staff from the Nelson Mandela Municipality, while the Peace Officers Course is also offered to private security companies.

External training courses focus on scholar patrol training offered to schools; a Child in Traffic Programme for pre-schools and primary schools; and traffic safety talks.

## SERVICE STATISTICS FOR TRAFFIC AND LICENSING

Traffic and Licensing Services Data					
	Details	2011-12	2012-13		2013-14
		Actual Number	Estimate Number	Actual Number	Estimate Number
1	Number of road traffic accidents during the year	1500	1594	1594	1560
2	Number of by-law infringements attended	105	1651	1651	1620
3	Number of Traffic Officers in the field on an average day	103	94	94	94
4	Number of Traffic Officers on duty on an average day	80	75	75	75
					<i>T 3.20.2.1</i>

**TRAFFIC LICENSING KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Traffic and Licensing</b>	Average traffic fines issued by a Traffic Officer per day	N / A	N / A	10	1	N / A
	% reduction in road accidents	1%	-10.81%	1.00%	4.74%	N / A
	% revenue collected from traffic fines	52%	101.55%	60.00%	22.40%	100%
	Turnaround time from booking Learner's License test to the actual test	N / A	N / A	4 weeks	1.83 weeks	1 week
	Turnaround time from booking Driver's License test to the actual test	N / A	N / A	16 weeks	6.03 weeks	8 weeks
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Emergency Services</b>	Response rate to emergencies: Traffic	10 min	21.06 min	10 min	6.49 min	15 min

Employees: Traffic Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	142	230	142	88	38%
13 - 15	23	34	23	11	32%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
Total	167	266	167	99	37%
T 3.20.2.3					

Financial Performance Year 2012-13: Traffic & Licensing Services					
R000					
Details	Year 2011-12	Year 2012-13			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	36011330	53638750	54584750	42568005	-26%
Expenditure:					
Traffic Officers	83035188	87096280	90464830	90485728	
Other employees	26233991	33562590	31843010	28841735	-16%
Repairs and Maintenance	1090385	1981900	1981900	1335940	-48%
Other	35060094	25059300	23913750	25254441	1%
Depreciation	8834495	2501280	2608340	8867044	72%
Internal charges administrative	18401858	19926170	19955220	20118462	1%
<b>Total Operational Expenditure</b>	172656011	170127520	170767050	174903350	3%
<b>Net Operational Expenditure</b>	136644681	116488770	116182300	132335345	12%
T 3.20.2.4					

Capital Expenditure Year 2012-13: Traffic & Licensing Services					
R000					
Capital Projects	Year 2012-13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	195000	195000	183255	-6%	
20070187-Building Extensions: Traffic College Greenbushes	195000	195000	183255	-6%	280
T 3.20.2.5					



### **COMMENT ON PERFORMANCE OF TRAFFIC AND LICENSING:**

No capital projects have been budgeted for the next financial year, due to the non-availability of funds. It will be difficult to attain the targets set out in the IDP, as all are driven by the availability of manpower. The Municipality is currently severely affected by a shortage of Traffic and Licensing law enforcement staff. The vacancies budget has been forfeited, as it was used to cover other personnel related costs. Vacancies cannot be filled without a budget, and this will add additional pressure on the chronic staff shortages experienced. The only measure that can be used to try and attain the targets set out in the IDP is to make use of overtime to try and cover for the staff shortages experienced. This will, however, be a temporary measure only, as the overtime budget is limited. Planning and strict adherence to operating plans will be enforced to try and assist in achieving the IDP targets. A variance of R11 745 is reflected on the capital project, due to the fluctuating exchange rate, as the supplier imports the equipment from the USA. The variance on the net operating expenditure is due to an increase in general expenses. The annual budget increase was insufficient to cover the escalating costs.

### **3.21 FIRE**

As a community-based organisation dedicated to the saving of life and property of all persons in the protected area, the Municipality is committed to substantially reduce the loss of life and the destruction of property by fire, through the promotion of fire safety awareness in the community.

The three top service delivery priorities for the year were fire safety educational programmes implemented in the communities; by-law compliance; and emergency response times. Measures taken to improve performance included a Community Safety team, focusing on the delivering of educational programmes to schools, libraries, informal settlements and previously disadvantaged areas; a Fire Safety team, concentrating on by-law offences in the City; and a new software system for the Control Centre to facilitate easier call-taking, thereby reducing the time taken to process emergency calls.

Support to communities living in impoverished areas included the issuing of Fire Trolleys to informal settlements via Ward Councillors, with community members being trained to fight fires with the equipment on these trolleys.

### SERVICE STATISTICS FOR FIRE

Metropolitan Fire Service Data					
	Details	Year 2011-12	Year 2012-13		Year 2013-14
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	2514	4000	4056	4200
2	Total of other incidents attended in the year	1188	2000	1309	2200
3	Average turnout time - urban areas (combined average of all calls, urban and rural)	10.05 minutes		16.73 minutes	11 minutes
4	Average turnout time - rural areas	N/A		N/A	N/A
5	Fire fighters in post at year end (all uniformed staff)	275		275	280
6	Total fire appliances at year end	47		47	48
7	Average number of appliance off the road during the year	2		5	3
					<i>T 3.21.2</i>

**FIRE SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Fire Safety</b>	% reduction in fire incidents	1%	-5.04%	1.00%	-38.20%	N / A
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Emergency Services</b>	Response rate to emergencies: Fire	10 min	8.96 min	10 min	14.16 min	15 min

Employees: Fire Services					
Job Level	Year 2011-12	Year 2012-13			
Fire Fighters	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer	1	1	1	0	0
Other Fire Officers:					
0 - 3	16	58	16	42	72%
4 - 6	10	11	10	1	9%
7 - 9	93	225	93	132	59%
10 - 12	175	161	175	4	2%
13 - 15	15	17	15	2	12%
16 - 18	2	5	2	3	60%
Total	312	478	312	184	38%
T 3.21.4					

Financial Performance Year 0: Fire Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	186636	157460	157460	563553	72.06%
Expenditure:					
Fire fighters					
Other employees	104928610	110393230	110973290	110575393	0.16%
Repairs and Maintenance	4301653	4572100	5107360	5244576	12.82%
Other	50876461	13115150	12666340	43349113	69.75%
<b>Total Operational Expenditure</b>	160106724	128080480	128746990	159169082	19.53%
<b>Net Operational Expenditure</b>	159920088	127923020	128589530	158605529	19.35%
T 3.21.5					

### COMMENT ON PERFORMANCE OF FIRE SERVICES:

Service delivery can be realised only if needs are met with corresponding budgets. Firefighting services require emergency vehicles and equipment, to be replaced through a replacement programme. However, due to budget cuts, these programmes have had to be shelved for the last three years, which has resulted in vehicles and items of equipment breaking down and not being able to fulfil the purpose for which they were designed. This in turn has had a significant impact on operational capability. Cognisance needs to be taken of the vital role played by the Fire and Emergency Services in the daily lives of the members of local communities.

### **3.22 DISASTER MANAGEMENT**

Disaster management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementing measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation (Disaster Management Act, 2002).

The Municipality's vision is to create a City that understands and embraces disaster management practises for a disaster resilient and safe environment.

Its mission is to establish and maintain an all-inclusive intergrated and effective disaster management programme to the benefit of all communities in Nelson Mandela Bay.

The NMBM Disaster Management Plan was adopted by Council in 2005 and revised in 2010. Similarly, the Policy Framework was adopted in 2005 and revised in 2010. A disaster risk assessment was conducted in 2005 and revised in 2010. Geographic Information Sysytem (GIS) information was shared with the NMBM Corporate GIS Section and the Spatial Development Framework Section. Flood Contingency Plan was drafted in 2010. The Disaster Management By-law was gazetted in 2009 and is currently being reviewed.

The Disaster Management Centre hosts a Joint Operations Centre (JOC), backed by an emergeny generator and uninterrupted power supply. The Centre is equipped with GIS and early warning infrastructure, directly linked to the South African Weather Services (SAWS). The equipment in the JOC is integrated with the municipal Safety and Security Joint Control Centre.

**SERVICE STATISTICS FOR DISASTER MANAGEMENT**

<b>DISASTER MANAGEMENT KEY PERFORMANCE INDICATOR TAKEN FROM IDP</b>						
<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Basic Service Delivery and Infrastructure Development KPE: Disaster Management</b>	Number of additional technical natural disaster early warning systems installed	6	6	2 by December 2012	2 by September 2012	N / A

Employees: Disaster Management					
Job Level	Year 2011-2012	Year 2012-2013			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	4	3	1	75%
4 - 6	1	2	1	1	50%
7 - 9	16	32	16	16	50%
10 - 12	7	7	7	0	0%
13 - 15	0	0	0	0	0%
16 - 18	3	4	3	1	75%
Total	30	49	30	19	61%
T 3.22.4					

Financial Performance Year 2012-13: Disaster Management					
R000					
Details	Year 2011-2012	Year 2012-2013			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	9126293	9194110	9194110	1053199	-767%
Repairs and Maintenance	190105	227110	227110	174350	-30%
Depreciation	184915	137960	137960	221214	38%
General Expenses	3860902	3109780	3109780	3703327	16%
Service Charges Costs - Internal	29869	54520	54520	23784	-129%
Total Operational Expenditure	13392084	12723480	12723480	5175874	-146%
Net Operational Expenditure	13392084	12723480	12723480	5175874	-146%
T 3.22.5					

Capital Expenditure Year 0: Disaster Management					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	3000	3000	2819	-6%	
Early Warning System	3000	2771	2503	-20%	Project ongoing
Building Extensions:Traffic College Greenbushes	0	0	183	100%	183
Disaster Management Centre	0	229	114	100%	114
Security Systems at Offices	0	0	19	100%	19
T 3.22.6					

#### COMMENT ON PERFORMANCE OF DISASTER MANAGEMENT:

The Municipality is facing a challenge due to the increase and impact of disasters. The Disaster Management budget makes provision for disaster relief during abnormal relief requirements. The same budget allocation is used on a daily basis for day-to-day relief requirements.

There is currently no provision in individual departmental budgets for disaster management, neither for normal disaster management related projects, nor for disaster response. Any disaster related response is covered within the normal budgetary provisions. This situation puts pressure on the response to disasters.

Provision was made on the Capital Budget for the installation of early warning systems. CCTV cameras were installed at remote sites to monitor potential high-risk flooding areas. The CCTV surveillance and monitoring system is integrated with the current NMBM Disaster Management CCTV system, as well as the Command and Control Centre. Surveillance is done in the Command and Control Centre located at the South End Fire Station. However, the operational budget is inadequate to sufficiently maintain these systems.



Other challenges include:

- Some key positions to execute the institution's mandate in respect of disaster management are currently vacant on the organogram.
- Initiatives to reduce identified priority risks have not been developed.
- Risk reduction-related projects and initiatives have not been included in IDPs.
- Guidelines for incorporating disaster management programmes and initiatives into the activities of other municipal organs of state and key institutional roleplayers have not been developed and implemented.

## **COMPONENT H: SPORT AND RECREATION**

### **INTRODUCTION TO SPORT AND RECREATION**

Through its sport and recreation services, the Municipality strives to enhance the quality of life of its citizens, providing world-class facilities and programmes to promote sport and recreation. By doing this, Nelson Mandela Bay will become the 'City of Choice' for hosting world-class events.

The key strategic objectives of the institution regarding sport and recreation include to develop, maintain and manage infrastructure for sport and recreation activities; to promote and support sport development programmes in partnership with community and Sport Federations; and to promote mass participation in sport and recreation activities.

During the review period, the upgrade of the Wolfson Stadium pitch started, to be completed in the 2013/14 financial year. In addition, the following facilities were upgraded:

- Caretaker's cottage at Rosedale Sport field (Ward 50)
- Windvogel Sport Field (Ward 32)
- Daleview Sport Field (Ward 52)

In addition, various clubs and federations were supported with equipment. Key national and international sports events supported include the AFCON Cup; the IRB Sevens; and the IRONMAN SA.

Key focus events in 2012/13 were:

- **Capacity Building Programmes**
  - Strategic planning and business planning session
  - Sponsorship and marketing
  - Events management training
- **Servicing Sports Federations**
  - **Boxing**
    - Launch of NMB Boxing Veterans Association
    - Provision of branding material
    - Training club equipment
    - Funding for tournaments
  - **Nelson Mandela Bay Basketball**
    - SA National Wheelchair Basketball Championships
    - Basketball equipment
    - 16<sup>th</sup> Summer Basketball series
    - Funded 2012/13 programmes
  - **National Chess Championships**
    - Support NMB team for the National Championships
  - **Nelson Mandela Bay Dance Sport**
    - Funded the hosting of the NMB Dance Championships
    - Development of branding material for identity and marketing
  - **Bodybuilding**
    - Support for annual Motherwell Bodybuilding Championships
    - SA Bodybuilding Championships

- **Netball**
  - Development of a Netball Centre
  - Support with sports equipment
- **Judo**
  - Sport equipment
  - National participation
  - Funding for national tournament
- **Bowls**
  - Development of community bowls in new Brighton and KwaNobuhle
  - Kit and equipment
- **Draughts**
  - Launch of Nelson Mandela Bay Draughts Association
  - Support with sports equipment
- **Karate**
  - Provision of assistance for the development of the NMB Karate Association
  - Tournament equipment
- **Cricket**
  - Annual Etolofiyeni cricket events
  - Funding for junior cricket
- **Football**
  - Equipment
  - Facilities
  - Office space

- **Swimming**
  - Implementation of Learn to Swim Programme
- **Motherwell tae-boo**
  - Community projects
  - Programme assistance

## **BEACHES AND RESORTS**

The services offered in respect of beaches and resorts form an integral part of the Economic Development and Recreational Services Directorate's Service Delivery and Budget Implementation Plan (SDBIP).

*The core services for the 2012/2013 financial year included:*

- Beach protection
- Maintenance
- Customer care
- Events support

Five lifeguards are currently employed on a permanent basis. They are responsible for servicing the entire municipal coastline, which is approximately 120 km. The lifeguards also act on supervisory capacity over the sixty (60) contracted seasonal lifeguards during peak season. The lifeguards are spread throughout the Northern and Southern beaches, including the Blue Flag and Blue Flag pilot beaches.

Since 2001, the Municipality has been participating annually in the National Blue Flag Programme.

The Blue Flag Programme is a voluntary eco-label for beaches, marinas, whale-watching boats and boats in general. The objective of the Programme is to raise awareness and promote sound environmental management practices among people

visiting beaches and local civic society. The Blue Flag criteria cover four aspects of coastal management, namely:

- Sound environmental management
- Environmental education initiatives
- Safety and security for users and
- Water quality

The Blue Flag Programme has become a symbol of quality around the world and the Nelson Mandela Bay Municipality strives to reach and maintain that quality in its beaches so as to attract tourists and promote investment in the City. The Municipality again participated in the Blue Flag Programme during the 2012/13 summer season. The Municipality submitted two applications to the National Jury, for the following beaches:

- Humewood Beach – Full Status
- King's Beach – Full Status

The main reason for nominating two beaches instead of the four initially envisaged is that the implementation and maintenance of the Blue Flag programme is reliant on the support services provided by other directorates (e.g. safety and security; waste management; and traffic management).

### **Challenges**

It is difficult to maintain Blue Flag status without the required support services from various directorates, as they tend to prioritise their own operations. The maintenance of and development of Blue Flag beaches remains a major challenge, as it requires a large operating budget, which the current Economic Development and Recreational Services Budget cannot sustain. It is therefore imperative that support services directorates maintain their commitment by availing their operating budgets towards the maintenance of Blue Flag beaches by the Municipality.

### 3.23 SPORT AND RECREATION

#### SERVICE STATISTICS FOR SPORT AND RECREATION

SPORT AND RECREATION KEY PERFORMANCE INDICATORS TAKEN FROM IDP						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
KPA: Local Economic Development KPE: Sport development	Number of stadia upgraded	N / A	N / A	1 (Wolfson Stadium)	0	1 (Wolfson Stadium)
KPA: Local Economic Development KPE: Recreation, Arts and Culture	Number of beaches with Blue Flag status	1 (Humewood Beach)	1 (Humewood Beach)	1 (Humewood Beach)	1 (Humewood Beach)	2 (Humewood Beach and Kings Beach)
	% reduction in drowning incidents at municipal beaches	N / A	N / A	10%	0%	10%
	Completion of the Mendi Multi-purpose Cultural Centre	25% construction completed	0%	Site handover	Target not met (Fund raising business plan in place in Sept 2012)	5%
	Number of performing artists benefitting economically	100	249	100	285	100

<b>Employees: Sport and Recreation</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3		83	82		0%
4 - 6		42	34		0%
7 - 9		20	17		0%
10 - 12	1	4	4		0%
13 - 15	0	0	0	0	0%
16 - 18	2	3	2		0%
19 - 20					0%
<b>Total</b>	<b>3</b>	<b>152</b>	<b>139</b>	<b>0</b>	<b>0%</b>
<b>T 3.23.3</b>					

<b>Financial Performance Year 0: Sport and Recreation</b>					
<b>R000</b>					
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	23402481	22300900	22979920	107100318	79.18%
Expenditure:					
Employees	51162690	60558800	62536520	52909944	-14.46%
Repairs and Maintenance	13349159	14834670	-10332430	10546914	-40.65%
Other	49615084	76647630	100704380	129858726	40.98%
<b>Total Operational Expenditure</b>	<b>114126933</b>	<b>152041100</b>	<b>152908470</b>	<b>193315584</b>	<b>21.35%</b>
<b>Net Operational Expenditure</b>	<b>90724452</b>	<b>129740200</b>	<b>129928550</b>	<b>86215266</b>	<b>-50.48%</b>
<b>T 3.23.4</b>					

<b>Capital Expenditure Year 0: Sport and Recreation</b>					
<b>R000</b>					
<b>Capital Projects</b>	<b>Year 0</b>				
	<b>Budget</b>	<b>Adjustments Budget</b>	<b>Actual Expenditure</b>	<b>Variance from Original Budget</b>	<b>Total Project Value</b>
<b>Total All</b>	<b>7400</b>	<b>4885</b>	<b>7795</b>	<b>5%</b>	
Upgrade Wolfson Stadium, Phase 3	2000	490	2412	17%	
Maintain/Rehabilitate Sports Facility Infrastructure - PE	2000	1400	2095	5%	
Upgrade Beaches, Tourism - Two	1000	1000	937	-7%	
New and Upgrade Surf Lifesaving Facilities	800	800	892	10%	
Upgrade Picnic/Camping Facilities Beachfront	800	800	755	-6%	
New Swimming Pool - Zwide	0	0	489	100%	
Multi-Purpose Recreational Facilities	0	209	125	100%	
Upgrade Existing Sports Facilities	0	93	71	100%	
Secure Recreational Buildings/ Facilities	800	93	19	-4111%	
<b>T 3.23.5</b>					

**COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:**

The Municipality only managed to develop a Draft integrated Sport Infrastructure Development Plan, as opposed to have an approved plan in place. This can be partly attributed to capacity challenges, including the lack of a Director, which position has been vacant for several months. However, a mitigation recruitment process was concluded and the position will be filled on 1 July 2013.

Regarding sports development, the Municipality aimed to complete the upgrading of the Wolfson Stadium. However, this target was not fully met, due to protracted supply chain management processes. The pitch and fencing of the Stadium are under construction. In mitigation, procurement planning will be prioritised in the next financial year.

During the review period, Humewood Beach attained Blue Flag status. Two additional beaches (King's Beach and Hobie Beach) have been identified as potential pilot projects for Blue Flag status in the 2013/14 financial year.

Although five drowning incidents were reported throughout the municipal area during the 2012/13 financial year, no drownings were reported at municipal beaches (swimming beaches).



## **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

### **INTRODUCTION TO CORPORATE POLICY**

The Nelson Mandela Bay has a broad range of policies in place, grounded in sound research, critical analysis and solid proposals, which seek to clearly express the ideals of the institution in respect of basic service delivery to its communities. The drafting of new policies and the revision of dated policies are underpinned by the NMBM Policy Development Framework (PDF), adopted in 2009. The PDF is an instrument to promote policy coordination, alignment and rationalization.

### **3.24 EXECUTIVE AND COUNCIL SERVICES**

#### **INTRODUCTION TO EXECUTIVE AND COUNCIL**

The institution is governed in terms of an Executive Mayoral System. It has a functional Executive Mayoral Committee in place headed by the Executive Mayor, supported by the Deputy Executive Mayor. The Committee *inter alia* comprises Councillors who serve as Chairpersons of the following Portfolio Committees:

- (a) Budget and Treasury
- (b) Human Resources and Corporate Administration
- (c) Economic Development, Tourism and Agriculture
- (d) Human Settlements
- (e) Infrastructure, Engineering and Energy
- (f) Public Health
- (g) Sport, Recreation, Arts and Cultural Services
- (h) Safety and Security

In addition to the above, the Municipality also has a Constituency Co-ordinator, whose responsibilities revolve around public participation in Council processes and programmes.

The NMBM Council is the highest decision-making authority in the institution and is presided over by the Speaker. The Municipality has a functional Whippery system in place.

**SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL**

<b>COUNCIL OVERSIGHT AND SUPPORT SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP</b>						
<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Good Governance and Public Participation KPE: Council Oversight and Support Services</b>	Number of Council meetings held	16	17	10	17	15
	Number of Councillors provided with training in line with the Skills Development Plan for Councillors	N / A	N / A	51	22	40

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
<p>The NMBM has 120 Councillors in office (60 are Portfolio Councillors and 60 are Ward Councillors). Council has an Executive Mayoral Committee System in place, which comprises 13 Councillors. Councillors are remunerated in accordance with Government Gazette No. 35962, dated 7 December 2012. The regulations in this Gazette determine the upper limits of the salaries, allowances and benefits of the different members of the municipal Council.</p>					
T 3.24.4					

Financial Performance Year 0: The Executive and Council					
					R000
Details	Year -1	Year 0		(2012/2013)	
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:					
Employees	2853213	13507080	13341030	12904963	602117
Repairs and Maintenance	8248	1028660	1030640	165910	862750
Other	2457982	6299030	6224000	7163686	-864656
<b>Total Operational Expenditure</b>	5319443	20834770	20595670	20234559	20834770
<b>Net Operational Expenditure</b>	5313445	20829770	-1500	-2503	-2497
T 3.24.5					

## **COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:**

In March 2013, a new Executive Mayor and Deputy Executive Mayor were elected, and a Mayoral Committee was appointed. The Executive Mayor supported by the Deputy Executive Mayor and the Mayoral Committee immediately embarked on an 100 Days Service Delivery Programme, to expedite service delivery to communities in greatest need. Through this Programme, a broad range of services, including new housing and upgraded community facilities, were delivered to impoverished communities. In addition, the Executive Mayor declared Mondays Constituency Days, on which the Mayoral Committee and himself would go out into the communities and physically work together with the communities in cleaning up their neighbourhoods.

Over the review period, Council complied with the obligation to meet on a regular basis by holding altogether 17 Council meetings. Council meetings are convened in accordance to Council's Calendar of meetings, which is adopted annually by Council in December. Special Council meetings are convened by directive of the Speaker to address urgent/special matters. Special Council meetings are additional to the meetings set in Council's calendar of meetings.

### **3.25 FINANCIAL SERVICES**

#### **INTRODUCTION TO FINANCIAL SERVICES**

The Municipality currently has a Budget Performance Monitoring Task Team, chaired by the Budget and Treasury Portfolio Chairperson. This Task Team meets every second month with all the Executive Directors to discuss the performance spending of each directorate and to ensure that service delivery is achieved. One-on-one sessions are also held with each Directorate on alternative months to discuss spending performance, as well as measures to improve income generation.

The Municipality also has an Operational Efficiencies Task Team in place that discusses the spending levels of line items such as overtime, travelling expenses, entertainment, telephone costs, etc. This Task Team closely monitors the spending of these line items to ensure that no fruitless and wasteful expenditure occurs. A report is then submitted to the Budget and Treasury Standing Committee on a quarterly basis.

## Debt Recovery

R000

Details of the types of account raised and recovered	Year 2011/12		Year 2012/13			Year 2013/14	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected (%)	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected (%)
Property Rates	R 4,779,726,166	R 4,569,227,595	R 1,004,139,170	R 929,832,871	92.60%	R 1,214,336,810	R 1,141,476,601
Electricity - B			R 3,024,889,112	R 2,801,047,318		R 3,189,545,440	R 2,998,172,714
Electricity - C				R 0			
Water - B			R 459,892,965	R 425,860,885		R 498,413,720	R 468,508,897
Water - C				R 0			
Sanitation			R 342,145,945	R 316,827,145		R 177,066,890	R 322,778,497
Refuse			R 170,229,924	R 157,632,909		R 343,381,380	R 166,442,877
Other			R 597,909,349	R 553,664,057		R 909,470,972	R 854,902,713

B - Basic; C = Consumption

T 3.25.2

**FINANCIAL SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Municipal Financial Viability and Management</b> <b>KPE: Revenue Management and Customer Care</b>	% billed revenue collection rate (before write-offs)	94%	94.46%	95.00%	92.60%	95%
<b>KPA: Municipal Financial Viability and Management</b> <b>KPE: Cash and Risk Management</b>	Credit rating achieved	Credit rating of Aa3.za achieved	Credit rating of Aa3.za achieved	Rating of Aa3.za achieved by June 2013	A1.za	Rating of A1.za maintained by June 2014
<b>KPA: Municipal Financial Viability and Management</b> <b>KPE: Budgeting and Financial Accounting</b>	Legislated compliant cash backed budget approved by Council	Legislated compliant cash backed budget approved by Council	Legislated compliant cash backed budget approved by Council by June 2012	By June 2013	By June 2013	By June 2014
	A debt servicing costs to annual operating income ratio (debt coverage ratio)		5%	15%	4.10%	15%
	% outstanding service debtors to revenue	20%	14.20%	20%	12.27%	20%

**FINANCIAL SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Municipal Financial Viability and Management KPE: Budgeting and Financial Accounting</b>	Cost coverage ratio	1 month	1.33 months	1 month	2.45 months	Excluding unspent conditional grants - 1 month Including unspent conditional grants - 1.5 months
	Personnel costs as a % of total operating income	34%	27.25%	0	23.53%	30%
	% of the Municipality's Capital Budget spent on capital projects identified in the IDP	95%	88.85%	95% by June 2013	84.49%	95%
	% of the Municipality's approved Budget spent on implementing its institutional Workplace Skills Plan	0.01%	0.05%	0.02%	0.05%	0.02%
	% of the Municipality's institutional training budget spent on implementing its institutional Workplace Skills Plan	95%	1	1	51.60%	95% by June 2014
	% of the Municipality's approved Budget spent on repairs and maintenance	7%	5.65%	0	6.39%	7%

Financial Performance Year 0: Financial Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1956117307	1911578270	1938894330	2120949040	9.87%
Expenditure:					
Employees	272556300	224832370	211613910	180625371	-24.47%
Repairs and Maintenance	890762	1538300	1584930	1093594	-40.66%
Other	523159223	355148380	322221420	448510639	20.82%
<b>Total Operational Expenditure</b>	796606285	581519050	535420260	630229604	7.73%
<b>Net Operational Expenditure</b>	-1159511022	-1330059220	-1403474070	-1490719436	10.78%
T 3.25.5					

Capital Expenditure Year 0: Financial Services (Budget and Treasury)					
R000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7480	4080	4531	-65%	
Upgrading Customer Care Centre, Mfanasekhaya Gqobose Building	0	1300	3310	100%	31180
Financial Asset Management Integration: Computer Hardware	0	728	728	100%	728
1/2 Ton Panel-van for Vending	230	230	210	-10%	230
Replacement of Revenue Sub-Directorate Computer Equipment	500	500	172	-191%	Equipment procured as and when required
Replacement of Vending POS Equipment	500	500	111	-350%	Equipment procured as and when required
Financial Accounting Control and Systems Development	5500	72	0		No contract in place at 30 June 2013
Replacement of Handheld Devices - Meter Reading	750	750	0		Equipment procured as and when required
T 3.25.6					



### **COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:**

There were no projects of significance in Year 0 on the Capital Budget related to Financial Services.

Net operational expenditure improved to R1.49 billion compared to the budgeted amount of R1.40 billion. This is attributable to the following:

#### **Revenue matters:**

Property rates raised was R34.8 million more than anticipated in the 2012/13 Adjustments Budget, due to property improvements that resulted in an increase in the Valuation Roll.

**Interest earned – External investments** was R24.4 million more than anticipated in the 2012/13 Adjustments Budget, due to an increase in the investments portfolio.

**Interest earned – Outstanding debtors** was R8.7 million more than anticipated in the 2012/13 Adjustments Budget. This is attributable to the escalation in outstanding debtors.

**Government Grant and Subsidies** was R39,7 million more than anticipated in the 2012/13 Adjustments Budget. The increase is in respect of the equitable share allocation that was not allocated to the other directorates due to reduced ATTP subsidies in respect of water, sanitation, refuse and electricity. This does not imply additional revenue for the NMBM, but merely that those directorates would reflect a lower than budgeted revenue allocation as a result of lower ATTP subsidies.

**Other income** was R73.9 million more than anticipated in the 2012/13 Adjustments Budget. Fuel levy income in the amount of R7.3 million was not allocated to other directorates, due to lower actual costs incurred by the relevant directorates in respect of fuel levy funded expenditure. This does not imply additional revenue for the NMBM.

Furthermore, VAT on Capital Grants required to be recognised as own revenue once claimed from SARS and amounted to R47.15 million, whilst GRAP 23 revenue in the amount of R11.3 million had to be recognised.

*Operating Expenditure matters:*

**Employee related costs** was R69.3 million less than anticipated in the 2012/13 Adjustments Budget. This is mainly attributable to adjusting the levels of the Provisions for Leave Pay and Post-Retirement Benefits by R10,2 million and R37,6 million respectively. The Provision for vacancies in the amount of R11.3 million remained unspent.

**Impairment - Receivables** was R39.2 million more than anticipated in the 2012/13 Adjustments Budget. The increase is due to the growth in outstanding debtors. The debtors' collection rate for 2012/13 was 92.6%, compared to the budgeted debtors' collection rate of 95%, which necessitated an increased provision for impairment.

**Depreciation** was R39.7 million less than anticipated in the 2012/13 Adjustments Budget. The condition assessment of assets resulted in a change in the useful lives of the assets, resulting in a decrease in depreciation as the number of years to depreciate the respective assets increased.

**General Expenses** was R62.5 million more than anticipated in the 2012/13 Adjustments Budget. The increase is attributable to an increased provision for Litigation Claims in the amount of R76.99 million, whilst provision was also made for obsolete stock in the amount of R10.1 million. Savings on various other line items assisted in reducing the effect of the above increases to R62.5 million.

### **3.26 HUMAN RESOURCES SERVICES**

#### **INTRODUCTION TO HUMAN RESOURCES SERVICES**

The Human Resources Management Services rendered by the Municipality aim to achieve the following:

- Attend to the human resources requirements of the various municipal directorates.
- Establish and maintain a working environment that encourages personal growth, development, enrichment and job satisfaction.
- Ensure that human resources policies and procedures are administered in such a way as to protect the interests of both the Municipality and its employees.

To accomplish this purpose, professional support services are rendered in respect of the following functional areas:

- Recruitment and selection
- Induction or newly of appointed staff
- Personnel administration – administration of staff benefits and maintaining employee records
- Maintaining and monitoring Conditions of Service in terms of the applicable legislation, Bargaining Council agreements and council policies)
- Placement at the behest of the institution
- Staff movement
- General administration

Performance is measured on the time it takes to fill a vacancy (from when the recruitment notification was submitted to the actual filling of the vacancy). The target is to fill a vacancy within a period of three months.

## **SERVICE STATISTICS FOR HUMAN RESOURCES SERVICES**

The total number of active vacancies administered as at 30 June 2013 amounts to 184 (this includes carry-overs from previous quarters). Details in respect of these are as follows:

- 6 are awaiting approval (3.26 %)
- 37 are awaiting interviews (20.11 %)
- 57 are awaiting short-listing (30.98%)
- 15 are awaiting capturing (8.15%)
- 23 are awaiting advertisement (12.50% )

In addition to the above, thirty-two (32) appointments were administered in the fourth quarter of the 2012/13 financial year. Details of these appointments are as follows:

- 5 appointments (15.63 %) were processed within a four months' turnaround time.
- 6 (18.75%) were processed within a seven months' turnaround time.
- 3 (9.37%) were processed within an eight months' turnaround time.
- 18 (56.25%) were processed within an eleven months' turnaround time.

### **Percentage recruitments completed within a three months' turnaround period:**

Sixty-one (61) vacancies were advertised within this quarter, of which:

- 29 (47.54%) are awaiting capturing
- 32 (52.46 %) are awaiting short-listing

The above information indicates that no vacancy in this quarter has been filled in the three (3) months' turnaround time, except for those vacancies that were carried over from the previous quarters.

**HUMAN RESOURCES SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation</b>	Number of officials trained in National Treasury minimum competencies, in line with set regulations (Government Gazette number 29967)	67	64	52	89	52
	Number of Grades 9 – 12 students and unemployed individuals attending Career Day	150 (Grades 9 – 12) and 400 (Unemployed)	0	150 (Grades 9 – 12) and 400 (Unemployed)	951 Grade 9-12 and 4 Unemployed persons attended Career Day in July 2012	150 (Grades 9 – 12) and 400 (Unemployed) by September 2013
	Number of new bursaries awarded in critical and scarce skill areas in terms of the Nelson Mandela Bay Municipality's Scarce Skills Strategy	20	0	20	0	N / A
	Number of learnership programmes implemented for employed and unemployed	8	6	8	4	6

### HUMAN RESOURCES SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
<b>KPA: Municipal Transformation and Organisational Development</b> <b>KPE: Human Resource Transformation</b>	Number of people participating in the electricity Mentorship Programme	N / A	N / A	30	1	24 mentees 6 mentors
	Number of unemployed graduates placed in scarce and critical skills areas in terms of the Nelson Mandela Bay Municipality's Scarce Skills Strategy	40	43	40	40	40
	% recruitment completed within a 3 months' turnaround period spanning from the date of receipt of recruitment notice to the actual appointment	100% of cases completed	0%	100% of cases completed	0%	100% of cases completed
	Number of people from employment equity target groups employed in the three highest levels of management, in compliance with the Municipality's approved Employment Equity Plan (a) Top Management (Municipal Manager Executive Directors and Directors)	74 African Male: 32 African Female: 8 Coloured Male: 7 Coloured Female: 2 White Male: 17 White Female: 5 Indian Male: 3 Indian Female: 0	77	74 African Male: 32 African Female: 8 Coloured Male: 7 Coloured Female: 2 White Male: 17 White Female: 5 Indian Male: 3 Indian Female: 0	35	74 African Male: 32 African Female: 8 Coloured Male: 7 Coloured Female: 2 White Male: 17 White Female: 5 Indian Male: 3 Indian Female: 0

**HUMAN RESOURCES SERVICES KEY PERFORMANCE INDICATORS TAKEN FROM IDP**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Municipal Transformation and Organisational Development</b> <b>KPE: Human Resource Transformation</b>	Number of people from employment equity target groups employed in the three highest levels of management, in compliance with the Municipality's approved Employment Equity Plan (b) Senior Management (Assistant Directors down to Salary Grade 12)	579 African Female:136 African Male:183 Coloured Male:35 Coloured Female:140 White Male:40 White Female:30 Indian Male:11 Indian Female:4	85	579 African Female:136 African Male:183 Coloured Male:35 Coloured Female:140 White Male:40 White Female:30 Indian Male:11 Indian Female:4	534	579 African Female:136 African Male:183 Coloured Male:35 Coloured Female:140 White Male:40 White Female:30 Indian Male:11 Indian Female:4
	Number of people from employment equity target groups employed in the three highest levels of management, in compliance with the Municipality's approved Employment Equity Plan (c) Professionally qualified and experienced specialists and mid management (category per designation)	291 African Female:51 African Male:59 Coloured Male:39 Coloured Female:14 White Male:85 White Female:22 Indian Male:18 Indian Female:3	683	291 African Female:51 African Male:59 Coloured Male:39 Coloured Female:14 White Male:85 White Female:22 Indian Male:18 Indian Female:3	1690	291 African Female:51 African Male:59 Coloured Male:39 Coloured Female:14 White Male:85 White Female:22 Indian Male:18 Indian Female:3
	% of people with disabilities in the total municipal workforce	N / A	N / A	2%	1%	2%

<b>Employees: Human Resources Services</b>						
<b>Job Level</b>	<b>Year -1</b>	<b>Year -1</b>	<b>Year 0 (2012/13) details for HR Management staff only</b>			
	<b>All NMBM employees</b>	<b>HR Management Services staff only</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
		<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	2332	5	5	5	0	
4 - 6	1446	12	12	12	0	
7 - 9	1517	15	18	17	1	
10 - 12	1168	30	29	29	0	
13 - 15	331	10	11	10	1	
16 - 18	118	5	7	5	2	
19 - 20	56	1	1	0	1	
<b>Total</b>	<b>6968</b>	<b>78</b>	<b>83</b>	<b>78</b>	<b>5</b>	
						<i>T3.26.4</i>

<b>Financial Performance Year 0: Human Resources Services</b>					
					<b>R000</b>
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	5478693	4033600	10932570	7185445	43.86%
<b>Expenditure:</b>					
Employees	28042406	30010980	30782270	28078270	-6.88%
Repairs and Maintenance	137452	210550	241850	155824	-35.12%
Other	14145821	8346070	14588630	16701913	50.03%
<b>Total Operational Expenditure</b>	<b>42325679</b>	<b>38567600</b>	<b>45612750</b>	<b>44936007</b>	<b>14.17%</b>
<b>Net Operational Expenditure</b>	<b>36846986</b>	<b>34534000</b>	<b>34680180</b>	<b>37750562</b>	<b>8.52%</b>
					<i>T3.26.5</i>

### **COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES SERVICES OVERALL:**

Due to budgetary constraints, the last capital project undertaken was halted at the end of the 2010/11 financial year. The project related to the reconstruction of all employees' personal files in the institution, according to set criteria. It is envisaged that this project will be revived in the financial year 2014/15, subject to budget availability.



### **3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

#### **INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT SERVICES)**

The institution is committed to providing a reliable and sustainable ICT environment that supports its goals and objectives, as defined in the Integrated Development Plan.

#### **SERVICE STATISTICS FOR ICT SERVICES**

ICT services can be classified into three categories: Application Development; Technical Services; and Enterprise Programmes.

- (a) In terms of Application Development, application programmes are provided that not only match the user directorate's exact needs, but allow all such directorates to utilise these application programmes in achieving their specific objectives as set out in the IDP, harmoniously, efficiently and timeously.
- (b) In terms of Technical Services, the hardware infrastructure that enables all directorates to electronically communicate both internally and externally, are provided and maintained.
- (c) In terms of Enterprise Programmes, all new requirements identified by the various directorates within the NMBM are researched and developed, in conjunction with Application Development and Technical Services functions.

**ICT SERVICES KEY PERFORMANCE INDICATOR**

<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: Municipal Transformation and Organisational Development KPE: Information Communications Technology (This KPI was not included in the 2012/13 IDP, but appears on the Corporate Services Directorate Scorecard)</b>	% network availability	N / A	N / A	99%	99%	N / A

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	5	5 x Data Capturers	5	0	0%
7 - 9	4	1 x Service Desk Operator; 5 x Computer Operators	1 x Service Desk Operator; 3 x Computer Operators	2 x Computer Operators	33%
10 - 12	2	2 x Computer Operator Supervisor	2	0	0%
13 - 15	22 6 x Network Controllers; 4 x End User Technicians; 1 x Asst. Director: TSS; 11 x Analyst Programmers	27 6 x Network Controllers; 4 x End User Technicians; 1 x Asst. Director: TSS; 16 x Analyst Programmers	21	6	22%
16 - 18	2 1 x Asst. Director: Application Development; 1 x Asst. Director: Enterprise Programs	2	2	0	0%
19 - 20	1 x Director: ICT	1	0	1	100%
Total	36	43	30	7	20%
T3.27.4					

Financial Performance Year 0: ICT Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	28059	26000	31500	34588	24.83%
Expenditure:					
Employees	17309120	19452230	19243700	17963182	-8.29%
Repairs and Maintenance	5526785	6555060	6553530	5445604	-20.37%
Other	8190113	129882970	153213890	4304024	-2917.71%
<b>Total Operational Expenditure</b>	31026018	155890260	179011120	27712810	-462.52%
<b>Net Operational Expenditure</b>	30997959	155864260	178979620	27678222	-463.13%
T 3.27.5					

Capital Expenditure Year 0: ICT Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	6000	7500	6793	12%	
Application Software	4000	5500	5312	25%	Ongoing, as and when required
Computer Enhancements - Corporate	2000	2000	1481	-35%	Ongoing, as and when required
T 3.27.6					

### COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Two key ICT Capital Projects in the institution relate to Application Software and Computer Enhancements.

Both these projects are under-funded and need to be considerably enlarged in order to meet new technological needs in an ever-changing environment. The relatively recent advent of Windows 7 has created a unique set of challenges in the specific NMBM ICT environment that will necessitate substantial investment in order to maintain the current high standard of service.

### **3.28 LEGAL SERVICES AND RISK MANAGEMENT**

#### **INTRODUCTION TO LEGAL SERVICES AND RISK MANAGEMENT**

Local government operates in a legislative environment, which highlights the importance of compliance. In this regard, the Municipality's has a functional Legal Services Unit in place, which provides the institution with a full spectrum of legal advisory and litigation services, such as contract management and legal advice to the political and administrative leadership.

The Municipality is also committed to the optimal management of risks in order to achieve its vision, mission, objectives, and strategies and plans to protect its core values. This commitment is supported by a process of risk management, which is aligned to the principles associated with good corporate governance, informed by various documents, such as the Public Sector Risk Management Framework, the Municipal Finance Management Act No. 56 of 2003, ISO 31000 and the King reports on Corporate Governance (King II and King III). The NMBM Risk Management Unit fulfills the role of institutional advocacy for Enterprise Risk Management by providing specialist expertise and assistance in integrating risk management throughout the Municipality.

## SERVICE STATISTICS FOR LEGAL SERVICES AND RISK MANAGEMENT

LEGAL SERVICES AND RISK MANAGEMENT KEY PERFORMANCE INDICATORS						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
<b>KPA: Good Governance and Public Participation</b> <b>KPE: Risk Management</b>	National Treasury risk management assessment maturity Level 3 achieved	N / A	N / A	Risk Management Maturity Level 3 achieved	Target not met (Risk Management Plan and Risk Registers completed end Sept 2012)	Maturity Level 4 achieved by June 2014
<b>KPA: Good Governance and Public Participation</b> <b>KPE: Legal Services (This KPI was not included in the 2012/13 IDP but appears on the Chief Operating Officer's directorate scorecard)</b>	Developing a system of delegation of powers for political and administrative functionaries	N / A	N / A	System of delegation of powers approved by Council by March 2013	Draft system of delegation of powers for political and administrative functionaries in place	System of delegation of powers tabled in Council by June 2014

Employees: Legal Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number.	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	5	2	5	0	0%
16 - 18	5	2	4	1	50%
19 - 20	0	0	0	0	0%
Total	14	8	13	1	13%
T 3.28.4 (a)					

Employees: Risk Management					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	1	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	2	2	3	1	50%
T 3.28.4(b)					

Financial Performance Year 0: Legal Services					
R000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Expenditure:					
Employees	5816722	7318690	7501120	6095741	-20.06%
Repairs and Maintenance	25550	34500	34500	27421	-25.81%
Other: General Expenses	2189779	3717980	3717980	3522809	-5.54%
<b>Total Operational Expenditure</b>	<b>8032050</b>	<b>11071170</b>	<b>11253600</b>	<b>9645972</b>	<b>-14.78%</b>
T 3.28.5					

## **COMMENT ON THE PERFORMANCE OF LEGAL SERVICES AND RISK MANAGEMENT**

Legal Services drafted a System of Delegation of Powers for Political and Administrative functionaries. Legal Services initially planned to have this document adopted by December 2012. However, this target was not reached, due to the need for further review and the inclusion of the draft delegation register. The draft system will be submitted to the City Manager in the 2013/14 financial year for approval and submission to the Mayoral Committee and Council.

With regard to risk management, the Municipality planned to achieve the National Treasury's Risk Management Assessment Maturity Level 3 by June 2013. However, this was not met, due to the non-existence of a Risk Management Committee, which is key in the achievement of Maturity Level 3. The establishment of a Risk Management Committee is receiving attention and it is envisaged that Maturity Level 3 will be achieved in the next financial year.

## **COMPONENT J: MISCELLANEOUS**

The Nelson Mandela Bay Municipality has a functional Municipal Court in place. This function resides under Safety and Security (refer to Component G – Security and Safety).



**COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

**Nelson Mandela Bay Municipality's Annual Performance Scorecard Report for the 2012/13 financial year**

## CHAPTER 4

# ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT – PART II)

## INTRODUCTION

The Municipality developed a new Macro Structure during the review period, which was subsequently adopted. In terms of this Structure, 16 key municipal vacancies were advertised in the printed media, both locally and nationally. The filling of these vacancies will assist in bringing stability and cohesion to the administrative leadership of the Municipality.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	Number	Number	Number	Number	%
Budget & Treasury	627		619	23	3.70%
COO	79		87	0	0.00%
Corporate Services	530		547	14	2.50%
Economic Development and Recreational Services	588		520	141	27.00%
Executive Mayor	31		32	0	0.00%
Human Settlements	312		325	10	3.00%
Infrastructure & Engineering	1,584		1,526	67	4.39%
Municipal Manager	76		74	3	4.00%
Public Health	4,582		1,179	48	4.00%
Safety & Security	1,001		982	29	
Electricity & Energy	611		630	22	3.40%
<b>Totals</b>	<b>10,021</b>	<b>0</b>	<b>6,521</b>	<b>357</b>	
					<b>T 4.1.1</b>

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year  Number	Terminations during the Financial Year  Number	Turn-over Rate*
Year -2	482	624	1.294
Year -1	505	292	0.578
Year 0	359	648	1.805
			<b>T 4.1.3</b>

### COMMENT ON VACANCIES AND TURNOVER:

It is acknowledged that there has been a high level of acting positions in the institution and it is trusted that the current recruitment process involving 16 key senior positions will culminate in quality appointments to take the institution forward.

## **COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

### **INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

The Nelson Mandela Bay Municipality is an equal opportunities employer who subscribes to the promotion of equal opportunity and fair treatment in employment through the elimination of unfair discrimination. The Municipality has accordingly implemented various affirmative action measures in order to ensure equitable representation in all occupational categories and levels in the workforce.

## **4.2 POLICIES**

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Adult Basic Education and Training (ABET)	100%		03-Sep-03
2	Cellular Telephone and Mobile Data Connectivity	100%		01-Apr-10
3	Disability	100%		03-Sep-03
4	Employee Assistance Programme Policy (EAP)	100%		Unknown

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
5	External Bursaries	100%		03-Sep-03
6	Gender and Women Empowerment Policy	100%		Unknown
7	Grant in Aid	100%		19 October 20116 (under review)
8	Induction	100%		03-Sep-03
9	Information Security Management Policy	100%		14-Feb-08
10	Occupational Health and Safety	100%		Unknown
11	Organisational Establishment Policy	100%		10 November 2010
12	Recognition of Prior Learning	100%		03-Sep-03
13	Recruitment, Selection & Retention	100%		28-Jun-05
14	Sexual Harassment Policy	100%		11 April 2007
15	Employee Bursary Policy	100%		Unknown
16	Substance Abuse	100%		16-Feb-11
17	Succession Planning	100%		3-Sep-13
18	Smoking Control Policy	100%		Unknown
19	Travel and Accommodation	100%		2 September 2012
20	Whistle Blowing Policy	100%		Unknown
21	Workplace Policy on HIV/AIDS	100%		Unknown
T 4.2.1				

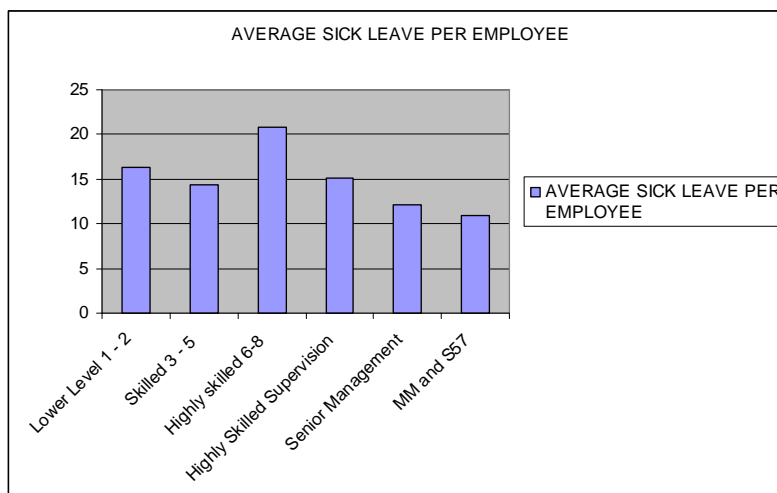
#### COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The NMBM Recruitment, Selection and Retention Policy is currently under review. The Work Attendance Policy is in its development stages and located at the Local Labour Forum for comment upon.

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of Days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	Number	Number	Days	R000
Lower skilled (Levels 1-2)	15252		932	1470	16.364	5,097,377
Skilled (Levels 3-5)	18918		1315	1572	14.386	723,483
Highly skilled production (Levels 6-8)	24053		1160	1552	20.735	1,403,819

Number of Days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	Number	Number	Days	R000
Highly skilled supervision (Levels 9-12)	13873		920	1452	15.079	1,204,729
Senior management (Levels 13-15)	2675		220	281	12.159	345,972
MM and S57	55		5	12	11.000	227,379.31
Total	74826		4552	6339	11.804	
<b>T 4.3.2</b>						



### COMMENT ON INJURY AND SICK LEAVE:

The institution has a Sick Leave Monitoring Committee in place, which addresses matters relating to injury on duty and sick leave. A Work Attendance Policy was also developed to define the institution's standards of work attendance and regulate the management thereof. Other interventions include counselling services from the EAP Practitioners and the Labour Relations Sub-directorate.

## SUSPENSIONS

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Director: Communications	Unlawful erection of gantries	03-Aug-12	No action taken. Re-instated.	16-Jul-13
Director: Communications	Insubordination and dereliction of duty	05-Jul-12	Dismissed, however re-instated by Appeal Officer.	25-Feb-13
T 4.3.5				

## FINANCIAL MISCONDUCT

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand Value of any loss to the Municipality	Disciplinary action taken	Date Finalised
None			
T 4.3.6			

## 4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards (Year 1) R000	Proportion of beneficiaries within group %
None					
T 4.4.1					

### COMMENT ON PERFORMANCE REWARDS:

No performance rewards were paid during the review period.

**COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE****4.5 SKILLS DEVELOPMENT AND TRAINING****INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The institution has a Workplace Skills Plan in place to develop and capacitate its staff. In terms of this Plan, a total of 2 253 employees participated in different learning programmes and interventions during the 2012/13 financial year.

The Municipality also has programmes in place for the training and empowerment of unemployed graduates and experiential learners. Over the review period, 54 unemployed graduates and experiential learners received training in various fields. A total of 140 employed and 500 unemployed persons participated in ABET; while 42 employed persons participated in various Learnership Programmes. Furthermore, 20 bursaries in scarce skills areas were awarded to unemployed persons and 185 employees are currently beneficiaries in the Employee Bursary Scheme. The Budget allocation for 2012-2013 was R6 799 290, while actual expenditure was R3 829 468.

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		Number	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and S57	Female	2	0	0	0	0	0	0				0	0	0
	Male	8	0	0	0	0	0	0				0	0	0
Councillors, senior officials and managers	Female	66	0	4	3	44	19	35				44	23	38
	Male	168	0	6	5	72	36	85				72	42	90
Technicians and associate professionals	Female	83	21	6	5	84	22	84				105	28	89
	Male	570	6	18	10	410	92	436				416	110	446
Professionals	Female	184	1	4	5	124	60	205				125	64	210
	Male	245	1	4	5	260	63	436				261	67	441
Sub-total	Female	335		14	13		101	324				0	115	337
	Male	991		28	20		191	957					219	977
Total			29	84	66	994	584	2562	0	0	0	1023	668	2628
T 4.5.1														

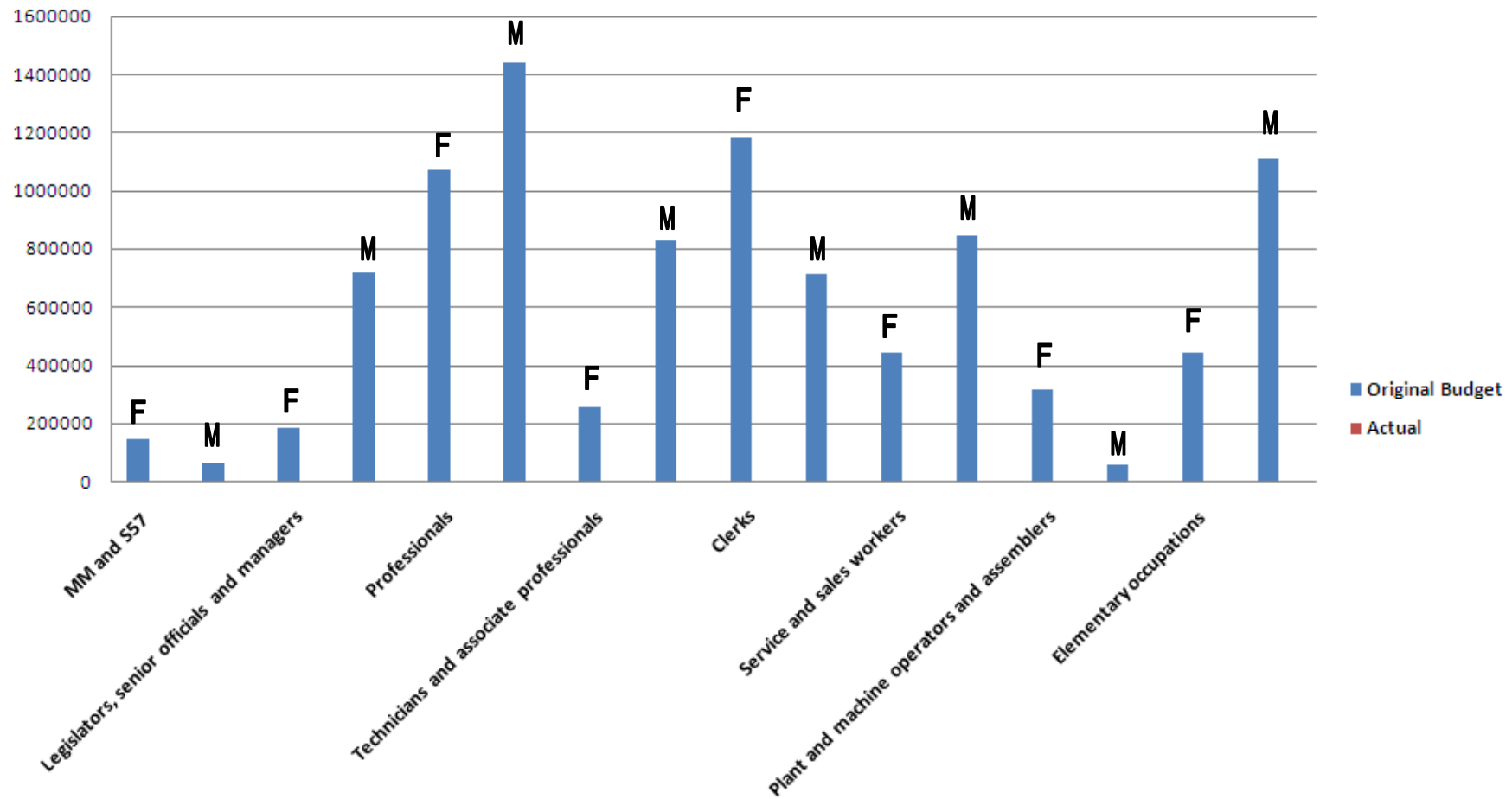


## Skills Development Expenditure

R000

Management level	Gender	Employees as at the Beginning of the (financial year)	Original Budget and Actual Expenditure on Skills Development Year 1							
			Learnerships		Skills Programmes & Other Short Courses		Other Forms of Training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	0	0	146000					
	Male	8	0	0	59164					
Legislators, senior officials and managers	Female	66	0	0	179446			179446		
	Male	168	0	0	717785			717785		
Professionals	Female	184	0	0	1072186			1072186		
	Male	245	0	0	1440479			1440479		
Technicians and associate professionals	Female	83	0	0	255970			255970		
	Male	570	0	0	826980			826980		
Clerks	Female	1019	0	0	1180269			1180269		
	Male	513	0	0	714373			714373		
Service and sales workers	Female	453	0	0	440689			440689		
	Male	893	0	0	845859			845859		
Plant and machine operators and assemblers	Female	7	0	0	312000			312000		
	Male	311	0	0	54550			54550		
Elementary occupations	Female	473	0	0	439716			439716		
	Male	2027	0	0	1108084			1108084		
Sub-total	Female	1807	0	0	3274560			3274560		
	Male	2397	0	0	4604640			4604640		
Total		4204	0	0	7879200	0	0	0	7879200	
T4.5.3										

### Skills Development Budget



F = Female  
M = Male

**COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS**

The NMBM training plans are mostly in line with its core business and partly with generic training/soft skills, because of lack of support by supervisors and managers when employees are identifying training gaps. Corporate Services determines strategic interventions, based on Integrated Development Plan (IDP) objectives, and develops the Municipal Workplace Skills Plan. Training is effectively implemented, because of the training and development database to fast-track the supply chain process. Over the last two years, the Municipality also developed training procedures to coordinate training in an effective and efficient manner. There is an enormous need for training both employees and unemployed people within the municipal area, but the institution is restricted by its limited resources and therefore concentrates on critical and scarce skills areas. More funding is required, especially to offer training for unemployed people. At times, grants are received from government entities and agencies, specifically from the Local Government Sector Education and Training Authority. The training programmes implemented in the last financial year (2012/13) created employment opportunities for unemployed and secured the progression of internal staff.

## **COMPONENT D: MANAGING WORKFORCE EXPENDITURE**

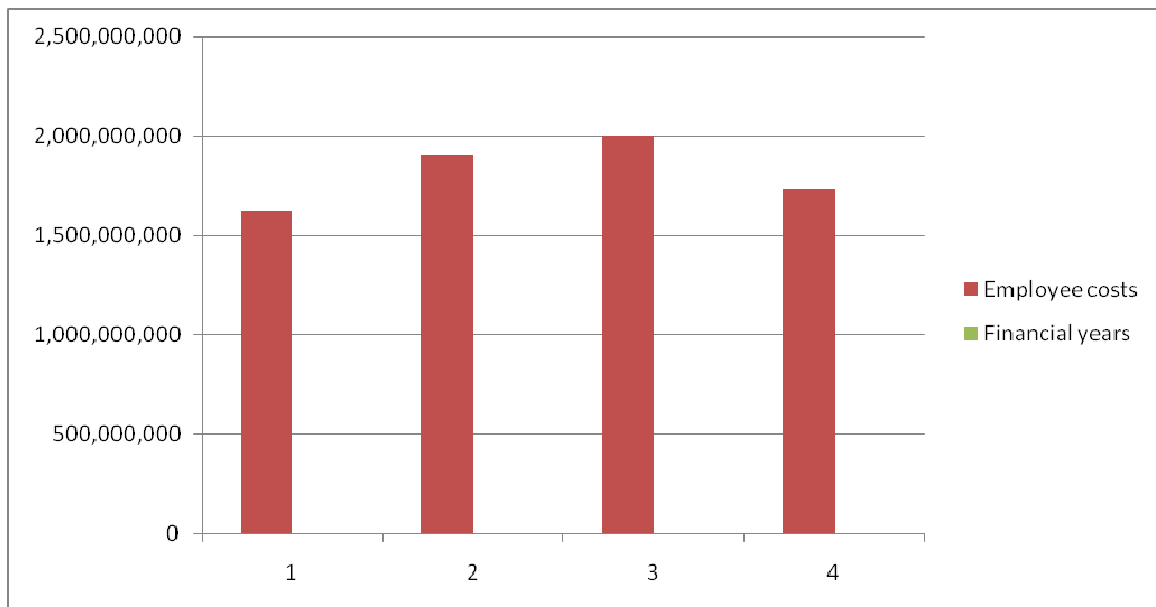
### **INTRODUCTION TO WORKFORCE EXPENDITURE**

It is considered important that expenditure relating to manpower be managed optimally to ensure the efficient and effective delivery of services to the community.

Specific areas that require attention is management of expenditure relating to overtime, acting allowances, stand-by allowances, night allowances and incentives bonuses.

Any costs incurred by the Municipality for the personal use of Councillors, such as security costs incurred by the NMBM relating to Councillors on an ongoing basis, are considered irregular by National Treasury and should therefore be discontinued.

#### **4.6 EMPLOYEE EXPENDITURE**



<b>Employee costs</b>	<b>Years</b>	<b>Financial years</b>
1,624,443,694	Year -3	2009/2010
1,906,517,657	Year -2	2010/2011
2,000,253,571	Year -1	2011/2012
1,730,671,322	Year 0	2012/2013

The expenditure increased as salaries were adjusted in the financial years. The cost was reduced in 2012/2013 financial year, due to the provincialisation of Primary Health Care staff.

#### **COMMENT ON WORKFORCE EXPENDITURE:**

The employee costs ratio measures what portion of the revenue was spent on covering employee costs. It is calculated by dividing total employee costs by the operating revenue. The ratio is decreasing, which would appear to be positive from a cost management perspective. The ratios of 31.1% (2009/10), 32.4% (2010/11), 27.7% (2011/12) and 23.5% (2012/13) have also been influenced by high increases in electricity prices over the period. The Municipality should therefore review its targeted ratio in this regard, taking financial affordability considerations into account.

Furthermore, provisions such as post-retirement benefits and leave pay have a significant impact on the outcome of this ratio and are the main reasons for the trend reflected in Table 4.6.1.

### Provisions

Description	2009/10	2010/11	2011/12	2012/13
Balance employee related costs	1 624 443 693.91	1 906 517 657.30	1 998 951 134.47	1 712 752 085.16
Post-retirement benefits	161 495 737.16	277 011 786.29	283 615 283.73	59 886 463.42
Provision for leave pay	26 143 204.23	37 147 044.30	28 692 195.73	-23 972 850.61
Balance (excl. Provisions)	1 436 804 752.52	1 592 358 826.71	1 686 643 655.01	1 676 938 472.35
Operating revenue	5 218 523 000	5 889 044 000	6 683 923 000	7 279 032 000
% (excl. provisions)	27.53%	27.04%	25.23%	23.04%
% increase		10.83%	5.92%	(0.6%)

On analysing the above table, the impact and significance of the provisions are evident and differ substantially from year to year. On exclusion of the provisions, it is noted that manpower expenditure decreased over the last three years. The 2012/13 financial year's outcome was influenced by the transfer of the Public Health Directorate's staff to the Eastern Cape Provincial Government.

### NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED

No salaries should have increased as a result of upgrades, as the Municipality has not yet implemented TASK. However, certain staff may have received increases because of pay parity, which is not the same, in that pay parity entails a correction of a grade, rather than an upgrade.

**Employees Whose Salary Levels Exceed the Grade Determined By Job Evaluation**

<b>Occupation</b>	<b>Number of employees</b>	<b>Job evaluation level</b>	<b>Remuneration level</b>	<b>Reason for deviation</b>
Senior Clerk	1	707	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Senior Clerk	1	607	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Senior Clerk	1	707	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Senior Clerk	1	707	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Senior Clerk	1	707	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Senior Clerk	1	707	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Senior Clerk	1	707	808	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Clerk	1	707	909	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Clerk	1	707	909	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Debtor Management	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Metered Services	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Billing Coordination	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Asst Director: Technical Services	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Admin Services	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Asset Management	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Printing Services	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process

**Employees Whose Salary Levels Exceed the Grade Determined By Job Evaluation**

<b>Occupation</b>	<b>Number of employees</b>	<b>Job evaluation level</b>	<b>Remuneration level</b>	<b>Reason for deviation</b>
Assistant Director: Application Development	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Audit Services	1	17	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Strategy, Research & Monitoring	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Urban Agriculture	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Strategic Projects	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: SMME Development	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Fresh Produce Market	1	16	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Sector Development	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Asst Director: Agriculture Management	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Comm. Development	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Divisional Environmental Health Officer	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Waste Operations	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director /Divisional Environment Health Officer	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Environmental Health	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Divisional Environment Health Officer	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Waste Operations	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Environment Management	1	16	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process



**Employees Whose Salary Levels Exceed the Grade Determined By Job Evaluation**

<b>Occupation</b>	<b>Number of employees</b>	<b>Job evaluation level</b>	<b>Remuneration level</b>	<b>Reason for deviation</b>
Asstant Director: Waste Operations	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Divisional Environment Health Officer	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Chief Land Surveyor	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Graphic Services	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Housing Delivery	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Occupational Health	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Human Resources Provisioning and Support Services	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Skills Development and Employment Equity	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Chief Employment Equity	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Sports and Recreational Services	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Baths	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Head: Beaches	1	14	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Libraries	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Beaches Resorts and Support Services	1	3737	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Disaster Management	1	3636	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant. Director/Head: Operations and Planning	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Director: Security	1	3636	3838	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process

**Employees Whose Salary Levels Exceed the Grade Determined By Job Evaluation**

<b>Occupation</b>	<b>Number of employees</b>	<b>Job evaluation level</b>	<b>Remuneration level</b>	<b>Reason for deviation</b>
Assistant Director/Head: Security	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Chief Security Officer	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Chief Security Officer	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Chief Security Officer	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Transmission Maintenance Engineer	1	15	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director: Tourism	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
Assistant Director/Chief and Risk Planning	1	13	16	Incorrect upgrade / Overpayment as per "Pay Parity Agreement" process
				<b>T 4.6.3</b>

**COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:**

As stated previously, no salaries were increased as a result of upgrades, as the Municipality has not yet implemented TASK.

With regard to the overpayment in terms of Pay Parity of the staff positions listed above, the Municipality is awaiting the outcome of the appeals process instituted by the relevant employees to determine the way forward.

**DISCLOSURES OF FINANCIAL INTERESTS:**

The Nelson Mandela Bay Municipality has a system in place, in terms of its Supply Chain Management Policy, that requires all employees, including Councillors, to disclose their business interests (where employees/Councillors, their spouses, their children or parents, supply goods and services to the Municipality, to ensure (in terms of Section 44 of the Supply Chain Management Policy) that no aware is made to such person, irrespective of the procurement process followed.

## **CHAPTER 5**

# **FINANCIAL PERFORMANCE**

### **INTRODUCTION**

It is quite challenging to contain inflationary pressures as a number of key cost drivers are influenced and determined by external organizations. Bulk electricity price increases are determined by NERSA, bulk water price increases are determined by DWA, and salary increases are influenced by negotiations through the South African Local Government Bargaining Council.

In order to contain certain costs, the Municipality implemented an Operational Efficiency Work Plan so as to embed efficiency into its operations.

### **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

#### **INTRODUCTION TO FINANCIAL STATEMENTS**

The financial performance highlights based on the pre-audited results are as follows:

#### **Financial Performance by Source**

##### **Financial Performance:**

Actual operating revenue amounted to R7.28 billion, whilst actual operating expenditure amounted to R7.30 billion, resulting in an operating deficit of R23.3 million. The 2012/13 Adjustments Budget for operating revenue amounted to R7.32 billion, whilst operating expenditure amounted to R7.56 billion, resulting in a budgeted deficit of R240.86 million. Although the NMBM is still reflecting an operating deficit, it performed much better than anticipated in the 2012/13 Adjustments Budget.

However, the following needs to be noted:

**The operating revenue was lower than anticipated in the 2012/13 Adjustments Budget due to the following factors:**

**Electricity Revenue:**

Electricity revenue raised amounted to R2.85 billion, compared to the budgeted amount of R2.98 billion. This is attributable to actual electricity consumption patterns being lower than anticipated. The lower electricity revenue was partially off-set by a decrease in the expenditure relating to bulk electricity purchases.

**Rental of facilities and equipment:**

The revenue amounted to R17.59 million, compared to the budgeted amount of R21.0 million. This means that an amount R3.42 million was not charged and/or collected. It is evident that the strategies to increase this revenue source are not being effectively implemented. The relevant Directorate(s) should provide Executive Management with a status report indicating, *inter alia*, the number of rental agreements in place, whether they have expired or not and whether they are market related.

**Fines:**

The revenue amounted to R23.08 million, compared to the budgeted amount of R33.81 million. This means that Fines were undercollected by R10.73 million or 32.6% of the 2012/13 Adjustments Budget. The revenue collected for the 2012/13 financial year was even lower than the amount of R23.41 million collected in the 2009/10 financial year. The Safety and Security Directorate should as a matter of urgency submit an appropriate report to Management Team, outlining the strategies and plans to be implemented to address the poor performance.

**Transfer recognised – operational:**

The revenue amounted to R1.28 billion, compared to the budgeted amount of R1.44 billion. This means that R160.67 million of transfers could not be recognised as revenue.

*The following accounts for this variance:*

**Housing Top Structures** – Only R325.73 million of the budgeted amount of R414.28 million was received, leaving a balance of R88.55 million not claimed from and/or paid by the Provincial Government. The expenditure incurred, however, was R315.91 million of the budgeted amount of R414.28 million, leaving a balance of R98.36 million. This net effect indicates that the NMBM has recovered approximately R9.81 million of the outstanding debtors relating to Housing Top Structures during the year. The Housing Revolving Fund bridge-financing level as at 30 June 2013 was R130.5 million, which is much higher than the R100 million threshold determined. A formal report should be submitted to Management Team by the Human Settlements Directorate, indicating the strategies to be implemented to reduce the exposure of the Housing Revolving Fund.

**Public Transport Infrastructure Grant** – Only R149.61 million of the budgeted amount of R198.7 million was recognised as revenue, leaving an unspent amount of R49.09 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R49.09 million, it will be included in the 2013/14 Adjustments Budget.

**Expanded Public Works Programme** – Only R9.02 million of the budgeted amount of R14.7 million was recognised as revenue, leaving an unspent amount of R5.67 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R5.67 million, it will be included in the 2013/14 Adjustments Budget.

**Infrastructure Skills Development Grant** – Only R3.6 million of the budgeted amount of R7.3 million was recognised as revenue, leaving an unspent amount of R3.7 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R3.7 million, it will be included in the 2013/14 Adjustments Budget. Spending of this DORA allocation remains poor. The NMBM has already forfeited R3 million, as the original DORA allocation was reduced from R5.3 million to R2.3 million during the 2012/13 financial year, which the NMBM can ill afford. There is a significant risk that National Treasury may reduce future DORA allocations if the grant conditions are not met.

**EU Funding – 3<sup>rd</sup> Tranche** – Only R127 589 of the budgeted amount of R7.7 million was recognised as revenue, leaving an unspent amount of R7.58 million. This low level of spending raises serious concerns relating to the NMBM's ability to manage and implement the EU funded programme. It is strongly recommended that the EU projects be revisited and that performance reports be submitted on a monthly basis to Management Team to ensure effective and timeous spending on projects.

**Other Services Revenue:**

Due to increased water consumption, the revenue for Water and Sanitation was respectively R46.3 million and R19.9 million in excess of the budgeted amounts.

**Interest Earned** – External investments were R24.4 million higher than anticipated. This is attributable to an increased investments portfolio.

**Interest earned** – Outstanding debtors amounted to R29.6 million more than the budgeted amount of R174.2 million. This increase is attributable to the escalation in outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

**The Operating Expenditure was lower than anticipated in the 2012/13 Adjustments Budget, due to the following factors:**

**Employee related costs:**

Actual expenditure was R1.71 billion, compared to the budgeted amount of R1.79 billion, resulting in underspending of R80.5 million. The underspending is largely attributable to TASK not being implemented, vacancies not being filled, and Executive Directors not being appointed.

**Depreciation and Asset impairment:**

Actual expenditure was R709.63 million, compared to the budgeted amount of R893.82 million, resulting in an underspending of R184.2 million. Expenditure was lower than anticipated, due to a review of the useful lives of the relevant assets.

**Bulk Purchases:**

Actual expenditure was R2.18 billion, compared to the budgeted amount of R2.23 billion, resulting in an underspending of R55.7 million. The reduction in bulk electricity purchases is indicative of the negative growth that the NMBM is experiencing.

**Transfers and Grants:**

Actual expenditure was R315.2 million, compared to the budgeted amount of R398.3 million, resulting in an underspending of R83.1 million. Grants to the Indigent consumers (ATTP) totalled R277.8 million only, compared to the budgeted amount of R316.2 million, due to a reduction in the total number of consumers qualifying for ATTP assistance.

**Other expenditure matters:**

The underspending on general expenditure is attributable to lower than anticipated spending on Housing Top Structures and DORA grants.

**CONCLUSION:**

The above indicates that although the financial results provide a positive outcome when compared to the original and the adjustments budgets, various areas require urgent management attention and should be incorporated into the scorecards of Executive Directors and in the Performance Management System. It is evident that stringent managerial control is required to ensure Operational Efficiencies, as the NMBM is currently not financially sustainable over the medium term. Although the NMBM's financial position has improved, it could be jeopardised if major financial risks materialise.



**Financial performance by Vote****Revenue as per Appendix K.1****Vote 1: Budget and Treasury**

**Property rates** were R34.8 million more than anticipated in the 2012/13 Adjustments Budget due to property improvements that resulted in an increase in the Municipality's Valuation Roll.

**Interest earned – External investments** were R24.4 million more than anticipated in the 2012/13 Adjustments Budget. This is attributable to an increased investments portfolio.

**Interest earned – Outstanding Debtors** were R8.7 million more than anticipated in the 2012/13 Adjustments Budget. This increase is attributable to an escalation in outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

**Government Grant and Subsidies** were R39,7 million more than anticipated in the 2012/13 Adjustments Budget. The increase is in respect of the Equitable Share allocation that was not allocated to the other directorates, due to a reduction in ATTP subsidies in respect of Water, Sanitation, Refuse and Electricity (free basic services). It does not imply additional revenue for the NMBM.

**Other income** was R73.9 million more than anticipated in the 2012/13 Adjustments Budget. Fuel levy income in the amount of R7.3 million was not allocated to other directorates, as the actual costs incurred relating to fuel levy funded projects were lower than anticipated.

VAT on Capital Grants required to be recognised as own revenue once claimed from SARS and amounted to R47.15 million, whilst GRAP 23 revenue in the amount of R11.3 million had to be recognised.

**Vote 2: Public Health**

The Public Health revenue was less than anticipated in the 2012/13 Adjustments Budget, as the Equitable Share allocation for Refuse services in respect of ATTP subsidies in the amount of R12.1 million was lower than anticipated.

Interest on Outstanding Debtors was R4.48 million more than anticipated. This is attributable to the escalation in outstanding debtors.

**Vote 3: Human Settlements**

The Housing Top structures subsidy allocation received was R88.5 million less than anticipated.

**Vote 4: Economic Development and Recreational Services**

*Revenue was R17.1 million less than anticipated, due to the following:-*

- The budgeted National Lotteries Grant in the amount of R2.54 million was not spent.
- The actual expenditure incurred in respect of Fuel Levy funded projects was R7.3 million below budget.
- The revenue in respect of the Fresh Produce Market was lower than anticipated.

**Vote 5: Corporate Services**

Revenue was R4.4 million less than anticipated, mainly due to the LGWSETA funding relating to skills and training programmes in the amount of R2.85 million not being spent.

**Vote 6: Rate and General Engineers**

Revenue was R38.74 million less than anticipated. This is mainly due to underspending on the Integrated Public Transport System, with only R149.6 million of the budgeted allocation of R198.7 million being spent.

**Vote 7: Water Services**

*Revenue was R39.27 million more than anticipated. This is mainly due to the following:*

Sale of water was R46.3 million more than anticipated, due to increased consumption. Interest on Outstanding Debtors was R11.7 million more than anticipated, due to an escalation in outstanding debtors.

The Equitable Share allocation relating to ATTP subsidies in the amount of R20.87 million was lower than anticipated.

**Vote 8: Sanitation Services**

*Revenue was R38.89 million more than anticipated. This is mainly due to the following:*

- Sanitation revenue was R19.87 million more than anticipated, due to increased water consumption.
- Interest on Outstanding Debtors was R4.82 million more than anticipated, due to an escalation in outstanding debtors.
- The Equitable Share allocation relating to ATTP subsidies in the amount of R2.74 million, was lower than anticipated.
- Trade Effluent Charges were R15.82 million more than anticipated.

**Vote 9: Electricity and Energy**

*Revenue was R144.94 million less than anticipated. This is mainly due to the following:*

- Sale of electricity was R134.97 million less than anticipated, due to reduced electricity consumption.
- The Equitable Share allocation, in respect of ATTP subsidies in the amount of R4.5 million, was lower than anticipated.
- An amount of R3.6 million in respect of the Infrastructure Skills Development Grant allocation of R7.3 million was spent, resulting in underspending of R3.7 million.

**Vote 10: Executive and Council**

Revenue was R0.17 million more than anticipated.

**Vote 11: Safety and Security**

*Revenue was R12.47 million less than anticipated. This is mainly due to the following:*

- Fines were R10.75 million or 35.29% less than anticipated in the 2012/13 Adjustments Budget.
- Income from Drivers Examinations was R1.1 million less than anticipated.

**Vote 12: Nelson Mandela Bay Stadium**

Revenue was R22.89 million more than anticipated, due to the hosting of Super Rugby events, whilst the costs of hosting such events was also more than anticipated in the budget.

**Vote 13: Strategic Programmes Directorate**

*Revenue was R9.17 million less than anticipated. This is mainly due to the following:*

Only R9.0 million of the budget allocation of R14.7 million in respect of the Expanded Public Works programme was spent, resulting in underspending in the amount of R5.67 million.

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	929,516,869	1,074,628,370	1,074,628,370	1,109,432,768	3.14%	3.14%
Service charges	3,490,830,746	3,951,038,600	3,883,229,320	3,824,058,378	-3.32%	-1.55%
Investment revenue	56,893,047	25,527,620	41,184,400	65,623,521	61.10%	37.24%
Transfers recognised - operational	1,218,299,838	1,361,248,310	1,438,252,560	1,277,588,339	-6.55%	-12.58%
Other own revenue	988,382,106	825,516,870	884,170,220	1,002,329,012	17.64%	11.79%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6,683,922,606</b>	<b>7,237,959,770</b>	<b>7,321,464,870</b>	<b>7,279,032,018</b>	<b>0.56%</b>	<b>-0.58%</b>
Employee costs	1,852,364,327	1,792,973,420	1,793,290,590	1,712,752,085	-4.68%	-4.70%
Remuneration of Councillors	49,919,184	54,582,550	53,220,270	53,194,424	-2.61%	-0.05%
Depreciation & asset impairment	869,081,029	987,380,920	1,141,720,790	1,113,883,454	11.36%	-2.50%
Finance charges	212,924,331	203,136,770	204,032,910	201,223,614	-0.95%	-1.40%
Materials and bulk purchases	2,405,700,866	2,747,755,180	2,734,997,440	2,661,232,770	-3.25%	-2.77%
Transfers and grants	301,208,760	402,052,360	398,299,550	315,201,642	-27.55%	-26.36%
Other expenditure	1,344,841,472	1,176,430,130	1,236,759,520	1,244,834,112	5.50%	0.65%
<b>Total Expenditure</b>	<b>7,036,039,969</b>	<b>7,364,311,330</b>	<b>7,562,321,070</b>	<b>7,302,322,101</b>	<b>-0.85%</b>	<b>-3.56%</b>
<b>Surplus/(Deficit)</b>	<b>-352,117,363</b>	<b>-126,351,560</b>	<b>-240,856,200</b>	<b>-23,290,083</b>	<b>442.51%</b>	<b>-934.16%</b>
Transfers recognised - capital	915,672,157	774,932,010	1,084,632,010	895,330,135	13.45%	-21.14%
Contributions recognised - capital and contributed assets	0	0	0	0		
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>563,554,794</b>	<b>648,580,450</b>	<b>843,775,810</b>	<b>872,040,052</b>	<b>25.62%</b>	<b>3.24%</b>
Share of surplus/ (deficit) of associate						
<b>Surplus/(Deficit) for the year</b>	<b>563,554,794</b>	<b>648,580,450</b>	<b>843,775,810</b>	<b>872,040,052</b>	<b>25.62%</b>	<b>3.24%</b>

## Financial Summary

R000

Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b><u>Capital expenditure and funds sources</u></b>						
<b>Capital expenditure</b>	1,096,993	1,039,459	1,413,976	—		
Transfers recognised - capital	915,672,157	774,932,010	1,084,632,010	895,330,135	13.45%	-21.14%
Public contributions and donations	10,156,824	23,000,000	27,233,510	17,694,450	-29.98%	-53.91%
Borrowing	0	0	0	0		
Internally generated funds	183,809,238	241,527,000	302,110,200	283,568,084	14.83%	-6.54%
<b>Total sources of capital funds</b>	<b>1,109,638</b>	<b>1,039,459</b>	<b>1,413,976</b>	<b>1,196,593</b>	<b>13.13%</b>	<b>-18.17%</b>
<b><u>Financial position</u></b>						
Total current assets	2,107,868,000	2,161,892,000	2,000,542,000	2,557,059,725	15.45%	21.76%
Total non-current assets	2,234,652,000	2,124,459,000	1,932,624,000	2,234,626,872	4.93%	13.51%
Total current liabilities	12,795,100,000	13,249,006,000	12,981,048,000	13,181,174,560	-0.51%	1.52%
Total non current liabilities	3,184,785,000	3,040,479,000	3,068,705,000	2,234,626,872	-36.06%	-37.33%
Community wealth/Equity	9,483,531,000	10,245,961,000	9,980,262,000	10,251,080,937	0.05%	2.64%
<b><u>Cash flows</u></b>						
Net cash from (used) operating	1,977,435,128	1,364,439,673	1,358,771,697	1,696,085,729	19.55%	19.89%
Net cash from (used) investing	-1,172,021,406	-1,048,473,000	-1,387,060,609	-1,266,497,653	17.21%	-9.52%
Net cash from (used) financing	-77,058,228	-100,718,692	-115,943,692	-97,443,691	-3.36%	-18.99%
<b>Cash/Cash equivalents at the year end</b>	<b>1,156,014</b>	<b>979,183</b>	<b>970,137</b>	<b>1,488,158</b>	<b>34.20%</b>	<b>34.81%</b>
<b><u>Cash backing/Surplus reconciliation</u></b>						
Cash and investments available	1,157,497	979,203	970,157	1,490,061	34.28%	34.89%
Application of cash and investments	1,106,878	867,579	826,429	949,480	8.63%	12.96%

Financial Summary						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Balance - surplus (shortfall)</b>	50,619	111,624	143,728	540,581	79.35%	73.41%
<b><u>Asset Management</u></b>						
Asset Register summary (WDV)	12,753,395	13,183,987	12,797,112	13,149,244	-0.26%	2.68%
Depreciation and asset impairment	869,081,029	736,106,810	893,823,850	885,807,300	16.90%	-0.90%
Renewal of existing assets	369,706,000	628,949,000	574,605,000	467,822,893	-34.44%	-22.83%
Repairs and maintenance	433,187,516	497,216,120	501,058,380	483,024,121	-2.94%	-3.73%
<b><u>Free Basic Services</u></b>						
Cost of free basic services provided	294,840	330,070	330,070	—		
Revenue cost of free services provided	252,770,170	323,047,520	323,047,520	277,825,898	-16.28%	-16.28%
<b><u>Households below minimum service level</u></b>						
Water:	-	-	-	-		
Sanitation/Sewerage:	38,000	31,000	31,000	-		
Energy:	-	-	-	-		
Refuse:	158,140	157,724	157,020	-		

Financial Performance of Operational Services						
Description	R '000					
	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	14,548,513.00	-62,452,660.00	-33,313,650.00	-46,903,081.00	-33.15%	28.97%
Waste Water (Sanitation)	-47,633,005.00	-69,066,440.00	-50,682,710.00	-197,878,514.00	65.10%	74.39%
Electricity	-347,073,814.00	-338,035,900.00	-347,803,610.00	-138,607,540.00	-143.88%	-150.93%
Waste Management	-33,287,800.00	-46,193,670.00	-54,173,060.00	-22,677,305.00	-103.70%	-138.89%
Housing	98,314,589.00	31,627,600.00	50,657,600.00	21,920,037.00	-44.29%	-131.10%
Component A: Sub-total	(315,132)	(484,121)	(435,315)	(384,146)	-26.03%	-13.32%
Waste Water (Stormwater Drainage)	51,033,725.00	51,334,400.00	54,871,400.00	20,405,172.00	-151.58%	-168.91%
Roads	163,910,923.00	163,051,540.00	193,002,170.00	192,147,503.00	15.14%	-0.44%
Transport	22,210,985.00	-202,454,680.00	-2,823,790.00	3,883,023.00	5313.84%	172.72%
Component B: Sub-total	237,156	11,931	245,050	216,436	94.49%	-13.22%
Planning	180,984,564.00	316,944,550.00	206,077,660.00	146,057,198.00	-117.00%	-41.09%
Local Economic Development	126,510,762.00	156,882,720.00	95,473,730.00	125,814,317.00	-24.69%	24.12%
Component B: Sub-total	307,495	473,827	301,551	271,872	-74.28%	-10.92%
Planning (Strategic and Regulatory)	–	–	–	–		
Local Economic Development	–	–	–	–		
Component C: sub-total	–	–	–	–		
Community & Social Services	107,586,126.00	120,264,230.00	126,309,500.00	123,724,155.00	2.80%	-2.09%
Environmental Protection	207,468,776.00	243,381,510.00	290,960,330.00	262,361,743.00	7.23%	-10.90%
Health	194,108,187.00	137,632,150.00	143,337,050.00	226,461,254.00	39.22%	36.71%
Security and Safety	342,554,536.00	314,523,450.00	319,282,340.00	367,310,810.00	14.37%	13.08%



Financial Performance of Operational Services						
					R '000	
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Sport and Recreation	90,724,452.00	129,740,200.00	129,928,550.00	86,215,266.00	-50.48%	-50.70%
Corporate Policy Offices and Other	-816,720,887.00	-820,827,440.00	-880,247,310.00	-1,146,943,955.00	28.43%	23.25%
Component D: Sub-total	125,721	124,714	129,570	(80,871)	254.21%	260.22%
Total Expenditure	355,241	126,352	240,856	23,290	-442.51%	-934.16%
T 5.1.2						

## 5.2 GRANTS

Grant Performance						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>1,765,440</b>	<b>1,729,912</b>	<b>2,064,347</b>	<b>1,880,938</b>	<b>-8.73%</b>	<b>8.88%</b>
Equitable share	656,653	729,226	729,226	729,226	0.00%	0.00%
Public Transport Infrastructure and Systems	98,289	298,702	538,702	366,680	-22.76%	31.93%
Electricity Demand Side Management	45,949			–		
Finance Management Grant	1,250	1,250	1,250	1,250	0.00%	0.00%
EPWP	2,000	14,696	14,696	9,397	36.06%	36.06%
Urban Settlements Development Grant	502,210	597,676	598,092	598,092	-0.07%	0.00%
LG SETA / Skills	5,293	4,000	9,705	7,117	-77.93%	26.67%
Disaster management	600			–		
AFCON CUP		–	15,923	15,923		0.00%
Infrastructure Skills Development Grant		5,300	7,300	3,800	28.30%	47.95%
Disaster Relief Grant		–	6,730	6,730		0.00%
Neighbourhood Development Partnership	33,364	64,062	64,062	64,062	0.00%	0.00%
National Informal Housing Electrification	25,000	15,000	15,000	15,000	0.00%	0.00%
Water Drought Relief Grant	391,338		58,662	58,662		0.00%
Water Demand Management Grant	2,000		4,999	4,999		0.00%
Municipal Infrastructure Grant	1,494					
Other transfers/grants [insert description]						
<b>Provincial Government:</b>	<b>488,724</b>	<b>403,752</b>	<b>440,734</b>	<b>347,930</b>	<b>13.83%</b>	<b>21.06%</b>
Health subsidy	151,985		10,320	6,231		39.63%
Housing	325,878	400,000	414,275	325,771	18.56%	21.36%
Libraries	5,747	3,752	3,752	3,752	0.00%	0.00%
Housing Accreditation	4,867		9,887	9,676		2.13%
Department of Education - Water Leaks	–		2,500	2,500		0.00%
- SMME Development	193					
- Walmer Youth Development Project	54					

Grant Performance						R000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Other transfers/grants						
	-	-	-	-		
<b>Other grant providers:</b>	<b>6,275</b>	<b>2,542</b>	<b>22,018</b>	<b>860</b>	<b>66.15%</b>	<b>96.09%</b>
Columbia University HIV/ AIDS	1,532	-	-			
Marine and Coastal Development	2,197		403	267		33.75%
SALA/IDA			371	180		51.48%
EU 3rd Tranche	2,546		18,706	413		97.79%
National Lotteries		2,542	2,538		100.00%	100.00%
<b>Total Operating Transfers and Grants</b>	<b>2,260,440</b>	<b>2,136,206</b>	<b>2,527,099</b>	<b>2,229,728</b>	<b>-4.38%</b>	<b>11.77%</b>
						T 5.2.1

#### COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share allocation was short-paid by National Treasury by an amount of R20.433 million as a result of the MIG and Energy Efficiency and Demand Side Management Grants being underspent in the 2010/11 financial year. These unspent grants, were, however, spent in the 2011/12 financial year. National Treasury thus withheld the equitable share allocation for grants that were in fact spent.

In the 2012/13 financial year, the Infrastructure Skills Development Grant was reduced from R5.3 million to R2.3 million due to poor spending in the 2011/12 financial year. National Treasury did, however, approve a carry-over of R5 million in respect of the underspending of the 2011/12 allocation. Accordingly, an amount of R7.3 million was available for spending in the 2012/13 financial year.

The remaining DORA Grants, as received, were in line with the DORA.

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
LG SETA	7,955,229	6,593,000	0	n/a	n/a	This grants is received from LG SETA and is used for skill development
Housing	324,689,000	331,331,172	0	n/a	n/a	This is received from Provincial Government and is used for the construction of low cost housing
Housing Accreditation	5,000,000	4,886,621	0			This grant is received from Provincial Government and is used for capacity building of employees in the NMBM
Department of Education - Water Leaks		2,500,000	0			This grant is received from Provincial Government and is used to fix school water leaks
Library	5,747,000	3,752,000	0			This is received from the Provincial Government and used to subsidise libraries
SMME Development						This grant is used for the development of small and medium businesses in the metropolitan area
Walmer Youth Development						This grant is used for youth development
<b>Foreign Governments/Development Aid Agencies</b>						
SALA/IDA	87,726	180,000	0			This grant is used for travelling to Sweden as per the agreement
EU 3rd Tranche		32,010,000	0			This grant is received from the European Union to fund various authorised developmental projects
Columbia University HIV/ AIDS						This grant is used for HIV/Aids projects
<b>Private Sector / Organisations</b>						
National Lotteries	0	0	0			This grant is received from National Lotteries and is used to fund Art and Culture programmes
Marine and Coastal Development	407,105	128,000	0			This grant is used to fund marine living resources
Provide a comprehensive response to this schedule						T 5.2.3

**COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:**

National Treasury short-paid the NMBM in respect of the equitable share allocation by an amount of R20.433 million. The reason being that the NMBM underspent the Energy Efficiency and Demand Side Management Grant and MIG in previous financial years.

The Municipality has received the 3<sup>rd</sup> Tranche of EU grant funding. Since receipt of these funds, spending has, however, been extremely poor, despite budget allocations being made to spend the funds in accordance with approved projects. Future spending will require close monitoring by senior management.

Housing Top Structures are funded, either advancing funds for new projects or by payment of expenditure (work completed and verified) claimed in accordance with approved projects by the Eastern Cape Provincial Government. The Human Settlements Directorate has outstanding claims and/or claims to be submitted and approvals to be granted for which costs have already been incurred for an amount in excess of R129 million. A report is required clearly indicating which claims are legally enforceable and which should be written off by Council.

The remaining grants were spent in accordance with the relevant grant conditions attached to them.

**5.3 ASSET MANAGEMENT****INTRODUCTION TO ASSET MANAGEMENT**

Asset Management is responsible for the coordination of Asset Management function throughout the Municipality to ensure compliance with S63 of the MFMA 56 of 2003.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Equipment			
Description	Trapped Person Locator			
Asset Type	Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3	Year -2	Year -1	Year 0
	39200	58800	78400	98000
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Safety & Security staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
Asset 2				
Name	Spectrophotometer			
Description	Machine Spectrophotometer			
Asset Type	Scientific Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3	Year -2	Year -1	Year 0
			88833	106600
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Scientific Services Staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
Asset 3				
Name	Machine			
Description	Machine Spectrophotometer			
Asset Type	Scientific Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new Asset Purchases			
Asset Value	Year -3	Year -2	Year -1	Year 0
		87750	108000	135000
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Scientific Services Staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
T 5.3.2				

#### COMMENT ON ASSET MANAGEMENT:

Council adopted an Asset Management Policy to provide guidance on the roles and responsibilities of directorates in the management and safekeeping of assets under their control. The Policy also provides capitalization details as well as depreciation

methods of municipal assets. Council further adopted the Asset Disposal Policy to deal with the procedures to be followed on disposal of municipal assets. Asset Management maintains an asset audit system of movable assets to ensure the management and control of municipal assets by various directorates. The Asset Management in terms of its staff establishment is comprised of a Director, Assistant Director, Administrative Clerk, Asset Controllers and Clerks to ensure that municipal assets are properly managed, controlled, maintained and safeguarded.

Repair and Maintenance Expenditure: Year 0				
				R000
	Original Budget	Adjustments Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	497,216,120	501,058,380	483,024,121	3%
				<i>T 5.3.4</i>

#### **COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:**

Repairs and maintenance has decreased as a proportion of total expenditure from 7.8% in 2009/10 to 6.6% in the 2012/13 financial year. The spending percentage is influenced by the growth in total expenditure, due to bulk electricity price increases.

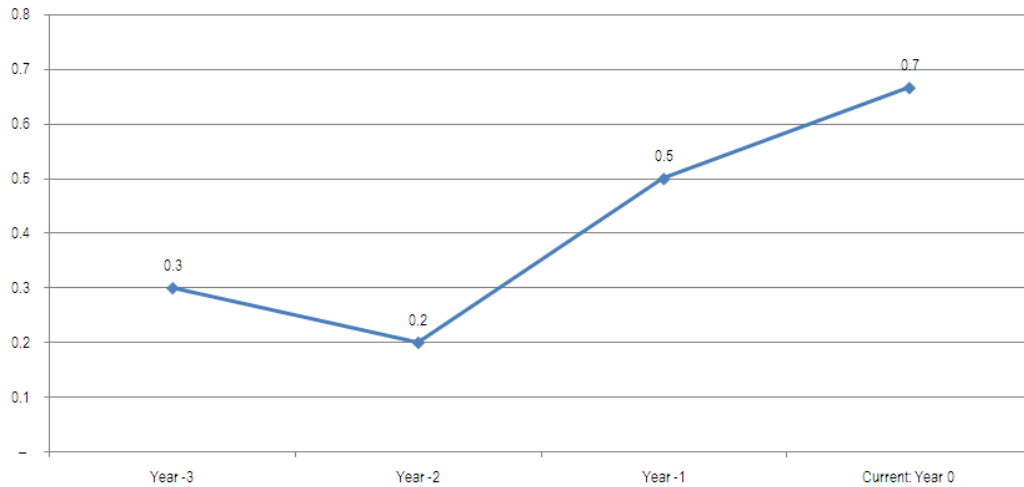
The annual % growth in the amount spent on repairs and maintenance is as follows:

- 2010/11 – 2.67%
- 2011/12 – 3.40%
- 2012/13 – 11.50%

It is the Municipality's intention to increase its repairs and maintenance expenditure on its infrastructure, taking financial affordability considerations into account.

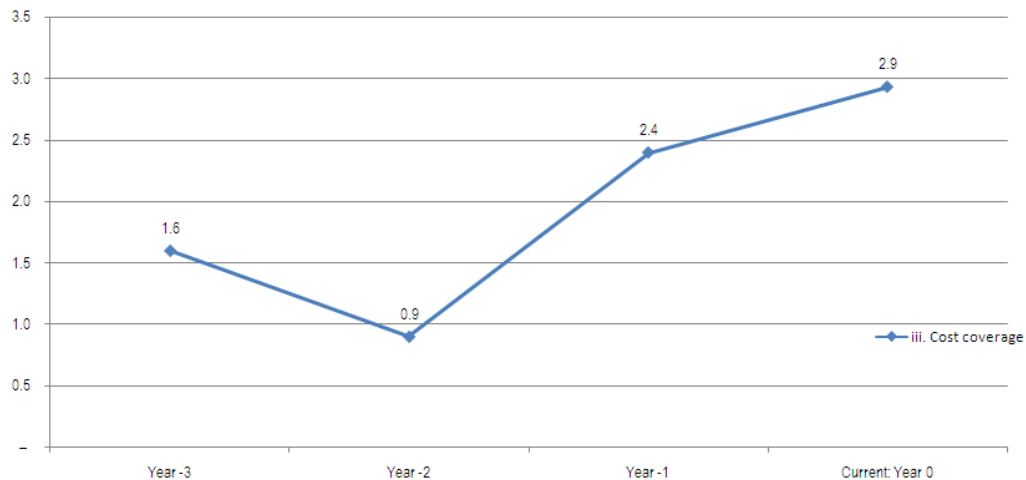
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### Liquidity Ratio



Liquidity Ratio – Measures the Municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the Municipality's current liabilities. A higher ratio is better.

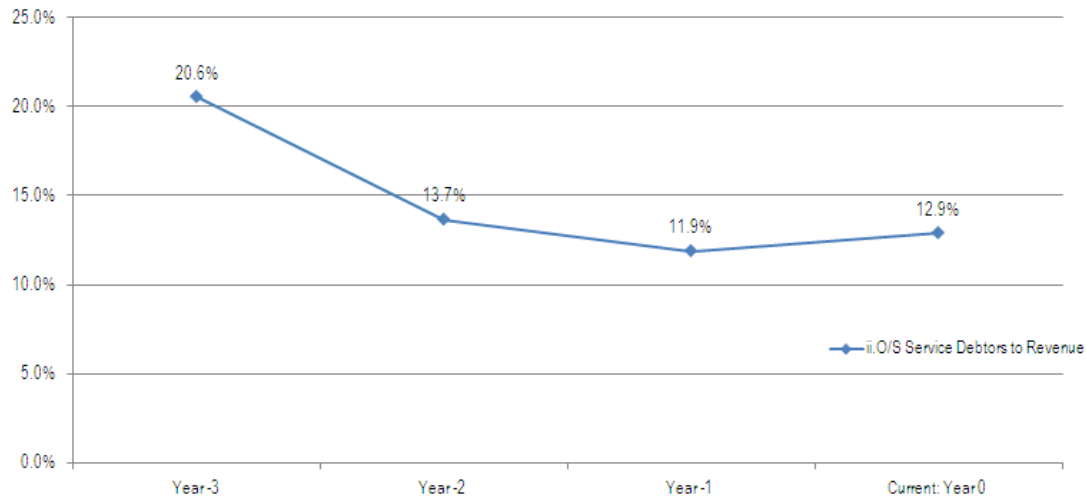
### Cost Coverage



Cost coverage – It explains how many months' expenditure can be covered by the cash and other liquid assets available to the Municipality, excluding utilisation of grants.

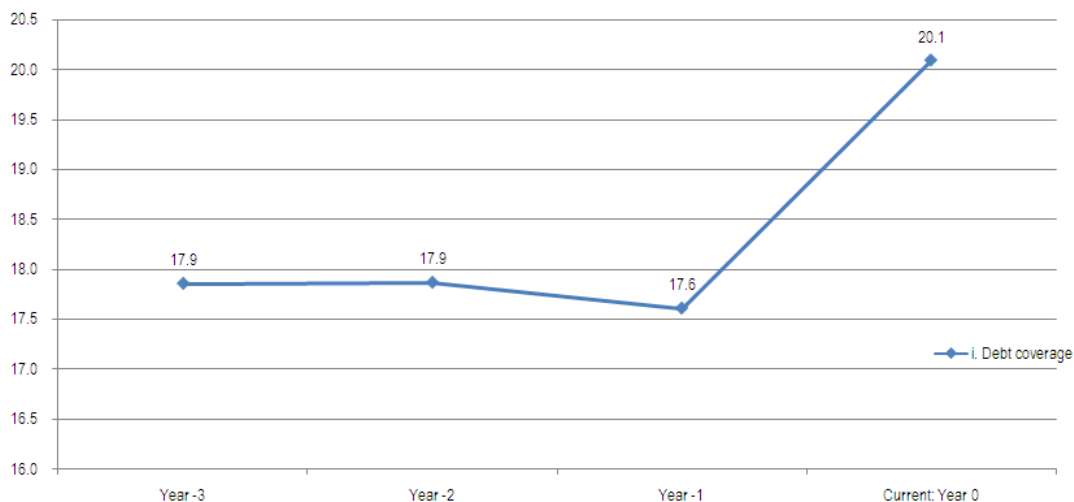


### Total Outstanding Service Debtors



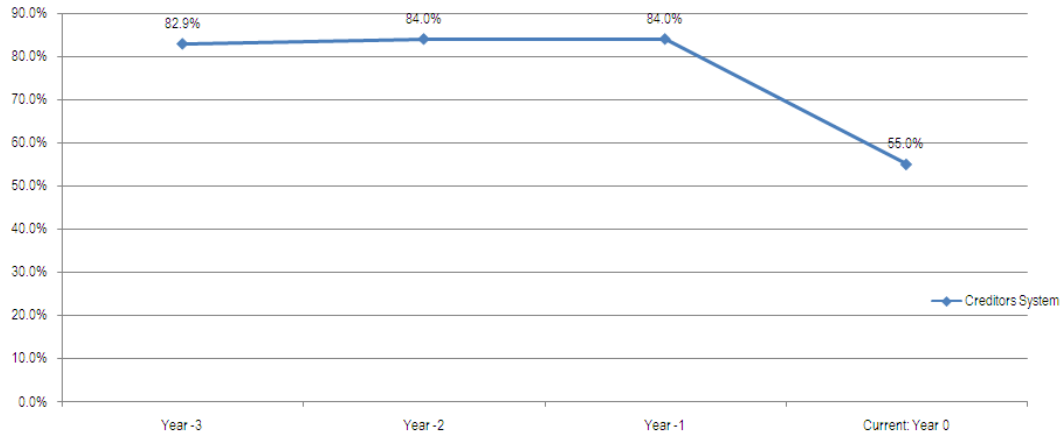
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

### Debt Coverage



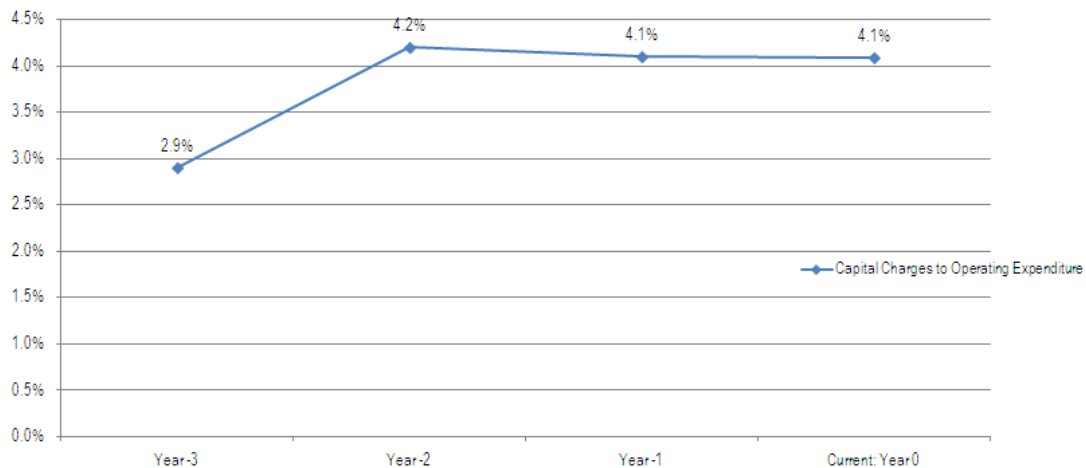
Debt Coverage – The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the Municipality.

### Creditors System Efficiency



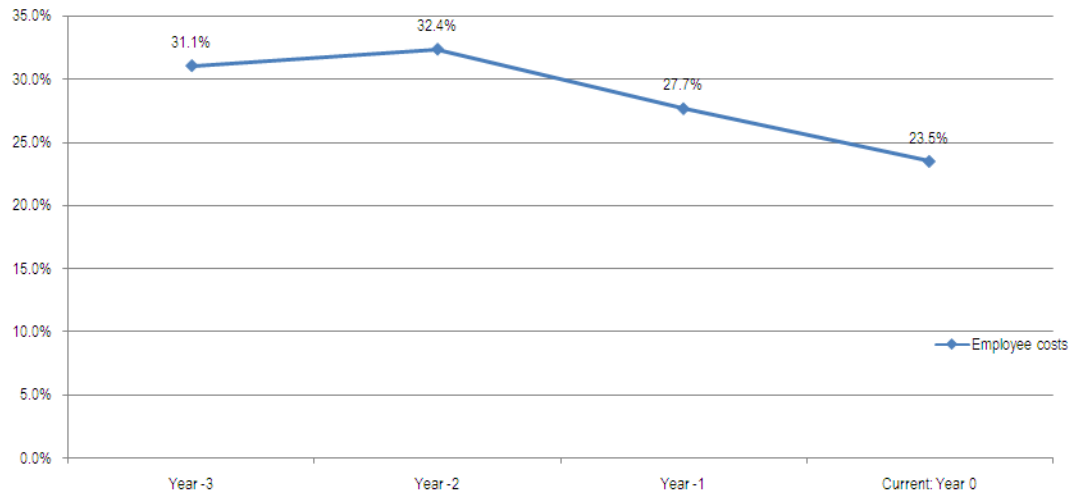
Creditors System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

### Capital Charges to Operating Expenditure



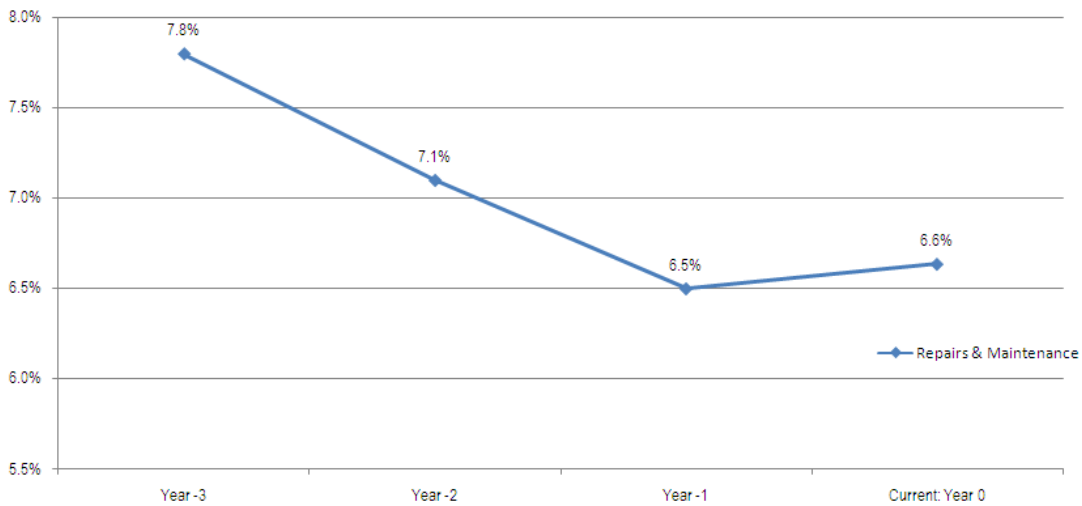
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principal paid by the total Operating Expenditure.

### Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

### Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

## **COMMENT ON FINANCIAL RATIOS**

The comments will focus on the Ratio tables T 5.4.1 to T 5.4.8 as follows:

### **T5.4.1 Liquidity ratio:**

The liquidity ratio reflects the monetary assets, divided by current liabilities. The ratio shows an improvement from 0.2:1 to 0.7:1 from the 2010/11 to the 2012/13 financial years. It indicates that NMBM is slowly recovering from the cash challenges experienced in the 2010/11 financial year. The NMBM must, however, achieve a ratio of at least 1:1 to be considered financially sustainable, which will help ensure a cost coverage ratio above the required three months period. The main factors influencing the ratio were the improvements in Cash and Cash equivalents, which increased by R1.06 billion from R428.8 million in 2010/11 to R1.49 billion in 2012/13. Current liabilities increased by only R173,4 million, from R2.06 billion in 2009/10 to R2.23 billion in 2012/13. The slow increase is supported by a decrease in unspent conditional grants over the same period.

### **Cost coverage:**

The cost coverage ratio closely follows the trends observed with the liquidity ratio. The cash flow challenges experienced during 2009/10 to 2010/11 are clearly reflected in the low ratios of 1.6 months and 0.9 months, respectively. The ratio, however, improved significantly to 2.4 months and 2.9 months, for the 2011/12 and 2012/13 financial years. It is important to note that the unspent conditional grants decreased from R441.5 million in 2011/12 to R357.7 million in 2012/13, which indicates that the cash flow position has improved over the 2011/12 to 2012/13 period. The cash position is, however, not sufficient at this stage to replenish the Capital Replacement Reserve.

### **Total outstanding service debtors:**

The ratio decreased from 20.6% in 2009/10 to 12.9% in 2012/13. This trend must be viewed with caution. The gross outstanding service debtors increased from R1.743 billion in 2011/12 to R2.179 billion in 2012/13, as a result of the lower debtors' collection rate of 92.6%, compared to the budgeted debtors' collection rate of 95%.

This increase occurred despite large amounts of outstanding debts being written off each year. The provision for doubtful debts had to be adjusted from R1.266 billion to R1.579 billion. The provisioning levels do not enhance a sustainable financial position, as 72.6% for 2011/12 and 72.5% for 2012/13 of gross debtors are considered to be doubtful. Debt collection must thus be prioritised to improve the financial sustainability of the Municipality.

**Debt coverage:**

The ratio improved positively over the last financial year, from 17.6% in 2011/12 to 20.1% in 2012/13. It remained constant over the period 2009/10 to 2011/12 at an average of approximately 17.9%. This improvement is attributable to no external borrowings being raised as from the 2011/12 financial year. In order to ensure financial sustainability in the medium to long term, the NMBM should not take up any external borrowing for at least the period 2013/14 to 2015/16. Thereafter, external borrowings could possibly be considered for revenue generating assets, so as to offset the costs of borrowing.

**Creditors System efficiency:**

A ratio of 55% indicates that the NMBM is not performing at an acceptable level and is therefore not legislatively compliant. Management reports are prepared on a monthly basis indicating the total days each directorate takes to process payments from the date of receipt of the invoice. Most directorates are in excess of the legislative timeframes of processing payments within 30 days from the date of receipt of the invoice. This ratio does not reflect the efficiency of the Creditors Section *per se*, but measures the efficiency of the payment process from the date of receipt of the invoice by the each directorate until the processing of the payment through the creditors payment system. Scorecards of Executive Directors should incorporate the legislative timeframes for processing payments.

**Capital Charges to Operating Expenditure:**

The ratio increased from 2.9% in 2009/10 to 4.2% in the 2010/11 financial year, due to the taking up of external borrowing of R745 million in 2008/09 and R470 million in 2009/10. The ratio has remained constant at 4.1% over the period 2010/11 to 2011/12, but will decrease over the MTREF, as no external borrowing will be taken up.

### **Employee costs**

Employee costs as a percentage of Operating revenue decreased from 32.4% in the 2010/11 financial year to 23.5% in 2012/13. National Treasury has stated that there is no benchmark for employee costs for municipalities, as they operate under different circumstances. Considering the current financial position of the NMBM, the target for this ratio should be revisited. Financial pressures such as TASK implementation, filling of vacancies and the finalisation of the new organisational structure will be significant factors to manage over the MTREF.

### **Repairs and maintenance:**

In the last three years the ratio has stabilised between 6% and 7%. Considering the backlog in maintaining infrastructure, it is evident that this ratio should at least be at a 10% level. At this stage, the Municipality's cash position is unable to support a level in excess of 7%. Alternative strategies and/or funding mechanisms must be developed to address the eradication of infrastructure maintenance backlogs. The main risks associated with a low repairs and maintenance ratio is that assets' expected useful lives will decrease, resulting in the earlier replacement of assets, for which inadequate financial capacity exists within the NMBM current revenue base.

## **COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

### **INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET**

The 2012/13 Capital Budget was funded as follows:

<b>Funding Source</b>	<b>% of Original Budget</b>	<b>% of Adjustments Budget</b>
Grant Funding	75%	77%
Internal Funding	23%	21%
Public Contributions	2%	2%
	100%	100%

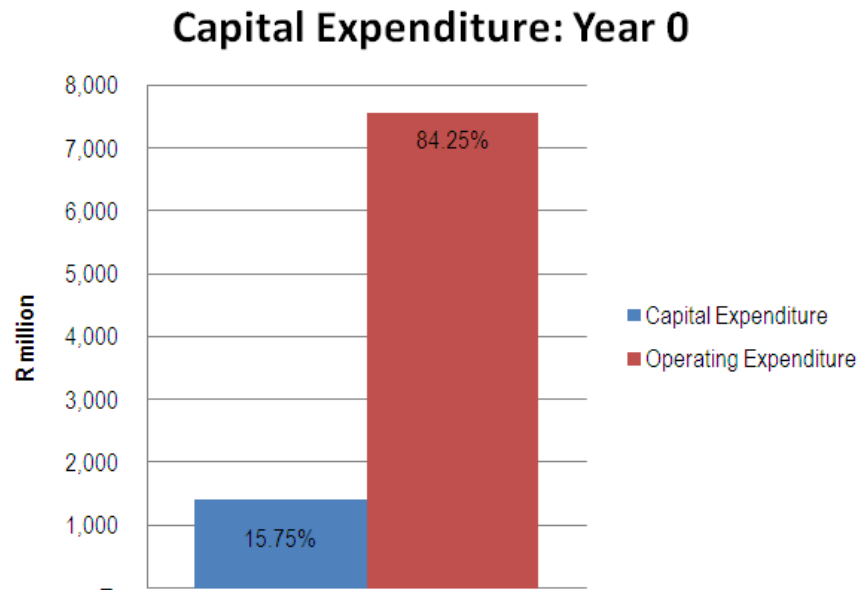
The Municipality fully spent its USDG, NPDG and DME allocations, as well as the Drought Relief Grant rolled over from the previous financial year. Only 61% of the IPTS grant was spent. The under-expenditure is as explained in T.1.4.5.1.

The European Union funds of R11 million brought onto the Adjustments Budget is exclusively for use in the Motherwell area, mainly for the construction of roads.

The five largest projects are as follows:

<b>Project Title</b>	<b>Funding Source</b>	<b>% of Original Budget Allocated</b>	<b>% of Adjustments Budget Allocated</b>
IPTS	Grant Funding – IPTS	9.6%	24%
Nooitgedagt/Coega Low Level System	Grant Funding – Drought Relief Grant	0%	2%
	Grant Funding – USDG	0%	4.2%
	Internal Funding	0%	3%
Tarring of Gravel Roads	Grant Funding – USDG	6%	7%
	Grant Funding – European Union	0%	0.7%
	Internal Funding	1.7%	1%
Pipe Rehabilitation and Improvements to System - General	Grant Funding – USDG	1%	1.3%
Fishwater Flats WWTW Upgrade	Grant Funding – USDG	6.7%	3.6%

## 5.5 CAPITAL EXPENDITURE





## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R000							
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustments Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	-	-	-	-		
	Public contributions and donations	10,157	23,000	27,234	17,694	18.41%	-23.07%
	Grants and subsidies	915,672	774,932	1,126,632	895,330	45.38%	15.54%
	Other	171,164	241,527	260,110	281,693	7.69%	16.63%
<b>Total</b>		<b>1,096,993</b>	<b>1,039,459</b>	<b>1,413,976</b>	<b>1,194,718</b>		
<i>Percentage of finance</i>							
	External loans	0.0%	0.0%	0.0%	0.0%		
	Public contributions and donations	0.9%	2.2%	1.9%	1.5%		
	Grants and subsidies	83.5%	74.6%	79.7%	74.9%		
	Other	15.6%	23.2%	18.4%	23.6%		
<b>Capital expenditure</b>							
	Water and sanitation	477,911	369,002	465,402	435,913	26.12%	18.13%
	Electricity	91,489	121,147	125,177	130,183	3.33%	7.46%
	Housing	75,968	165,868	137,969	143,504	-16.82%	-13.48%
	Roads and stormwater	276,623	269,662	537,163	354,352	99.20%	31.41%

Projects in this category is demand driven and therefore spending follows accordingly. IPTS & European Funding not recognised in the Original Budget. Budget amendments approved subsequent to Adjustments Budget

Capital Expenditure - Funding Sources: Year -1 to Year 0							
		R000					
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustments Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
	Other	175,002	113,780	148,265	130,765	30.31%	14.93%
Total		1,096,993	1,039,459	1,413,976	1,194,718	142.14%	58.44%
Percentage of expenditure							
	Water and sanitation	43.6%	35.5%	32.9%	36.5%	18.4%	31.0%
	Electricity	8.3%	11.7%	8.9%	10.9%	2.3%	12.8%
	Housing	6.9%	16.0%	9.8%	12.0%	-11.8%	-23.1%
	Roads and stormwater	25.2%	25.9%	38.0%	29.7%	69.8%	53.7%
	Other	16.0%	10.9%	10.5%	10.9%	21.3%	25.5%
T 5.6.1							

## COMMENT ON SOURCES OF FUNDING:

Public Contributions and Donations – Projects in this category is demand driven and therefore spending follows accordingly.

Grants and Subsidies – IPTS & European Union funding was not recognised in the Original Budget.

Other Finance Sources includes Internal Funding. Budget amendments approved subsequent to Adjustments Budget.

## 5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital expenditure of five largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustments Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
IPTS	100,000	340,000	185,553	-86%	-240%
Nooitgedagt/Coega Low Level System	-	129,200	179,995		
Tarring of Gravel Roads	80,000	122,440	100,826	-26%	-53%
Fishwater Flats Waste Treatment Works	70,000	50,500	28,491	59%	28%
Pipe Rehabilitation and Improvements to System - General	10,000	18,500	31,440	-214%	-85%
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>	<b>IPTS</b>				
Objective of project	Provide reliable and efficient transport to the commuters of Nelson Mandela Bay.				
Delays	Finalisation of agreements with key stakeholders.				
Future challenges					
Anticipated citizen benefits	A safe, convenient and affordable public transport system available to the commuters of the NMBM.				
<b>Name of Project - B</b>	<b>Nooitgedagt/Coega Low Level System</b>				
Objective of project	To ensure a continuous supply of potable water to the City and its people.				
Delays	Funding constraints.				
Future challenges	The major key issue is to maintain the asset in order for it to provide potable good quality water for the full lifespan of the asset to the City.				
Anticipated citizen benefits	The whole City.				

Capital expenditure of five largest projects*						R000
Name of Project	Current: Year 0			Variance: Current Year 0		
	Original Budget	Adjustments Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
Name of Project - C	Tarring of Gravel Roads					
Objective of project	To eliminate the huge tarring backlog in the City, with emphasis on previously disadvantaged areas.					
Delays	Delays due to the tender document not being finalised.					
Future challenges	Insufficient budget to meet objectives.					
Anticipated citizen benefits	Upliftment of residential areas.					
Name of Project - D	Fishwater Flats Waste Treatment Works					
Objective of project	To provide better services to the community, to increase the works capacity to treat the required inflow and future inflow from the surrounding areas.					
Delays	Environmental Record of Decision (ROD).					
Future challenges	Financial constraints for future financial years.					
Anticipated citizen benefits	Proposed developments to take place for better service delivery.					
Name of Project - E	Pipe Rehabilitation and Improvements to System - General					
Objective of project	Replacing old and redundant water pipelines that have reached the end of its useable life by using tri-annual contractors, if and when required.					
Delays	Funding constraints.					
Future challenges	Funding constraints.					
Anticipated citizen benefits	The entire City.					
T 5.7.1						

## COMMENT ON CAPITAL PROJECTS

The increase in the IPTS Adjustments Budget is as a result of the roll-over of the IPTS Grant being approved by National Treasury. Future funding is dependent on the DORA allocation as this project is grant funded.

The Adjustments Budget for the Nooitgedagt/Coega Low Level System was increased due to the Drought Relief Roll-over being approved by National Treasury and Internal Funds being made available.

The Adjustments Budget for Tarring of Gravel Roads was increased due to the European Union Grant that was received in respect of construction of roads in Motherwell. Further budget amendments were also approved in the Adjustments Budget related to this project. Future budget requirements will be determined by ward priorities.

Fishwater Flats Waste Treatment Works – The budget for this project was decreased as it became evident that contracts would not be able to be awarded, due to delays in the SCM process, in order for construction to commence before 30 June 2013.

Pipe Rehabilitation and Improvements to System – General – Hot spots for Pipe Rehabilitation was identified based on condition assessments and pipe burst incidence reports. These rehabilitation projects once identified and prioritized, required additional budget allocation to ensure continuous potable water supply.

## **5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS**

### **GROWTH AND MAINTENANCE/HISTORICAL BACKLOGS**

Maintenance comprises two components: operational maintenance and capital maintenance backlogs. The Municipality aims to eliminate backlogs over a ten-year period.

Comprehensive studies have been undertaken to quantify the institutional backlogs. Based on the findings, large portions of the Municipality's Capital Budget have been allocated to maintenance backlogs. The extent of the capital backlog is summarised below:

### **BACKLOGS AND ASSOCIATED BUDGET IMPLICATIONS**

<b>Operating Budget requirements</b>	<b>Total operational maintenance backlog</b>	<b>Annual requirement to eliminate backlog</b>	<b>Operating Budget 2012/13 (Year 0)</b>
<b>Water</b>	<b>880 252 464</b>	<b>176 038 492</b>	<b>132 194 380</b>
Water pump stations	23 372 730	4 674 546	2 162 840
Water reticulation	510 270 769	102 054 153	73 268 153
Water treatment works	57 295 705	11 459 141	8 838 720
Reservoirs, water towers, break pressure tanks	21 579 671	4 303 934	507 897
Dams	2 408 320	481 664	3 690 210
Bulk water supply mains	265 325 269	53 065 054	43 726 560

<b>Operating Budget requirements</b>	<b>Total operational maintenance backlog</b>	<b>Annual requirement to eliminate backlog</b>	<b>Operating Budget 2012/13 (Year 0)</b>
<b>Sanitation</b>	<b>4 211 173 663</b>	<b>841 530 731</b>	<b>128 903 580</b>
Wastewater treatment works	1 979 608 789	395 217 757	22 324 660
Sewage pump stations	120 724 600	24 144 920	25 912 630
Sewerage network	2 110 840 274	422 168 054	80 666 290
<b>Roads &amp; Stormwater</b>	<b>484 199 983</b>	<b>96 839 997</b>	<b>81 173 910</b>
Subsidised roads	38 566 886	7 713 377	5 747 890
Non-subsidised roads	248 642 513	49 728 503	40 027 740
Rehabilitation of stormwater facilities	196 990 584	39 398 117	35 398 280
<b>Recreational &amp; Cultural Services</b>	<b>77 385 000</b>	<b>25 260 000</b>	<b>13 844 320</b>
Upgrading of facilities and beaches	19 800,000	3 960 000	2 536 140
Resorts	660,000	300,000	215 210
Sports facilities	42 625,000	15,000,000	6 517 230
Pools	14 300,000	6,000,000	4 575 740
<b>Safety and Security Services</b>	<b>16 390 000</b>	<b>3 278 000</b>	<b>504 960</b>
Fire station buildings	15 510 000	3 102 000	327 870
Training centres	880,000	176,000	177 090
<b>TOTAL</b>	<b>5 669 401 110</b>	<b>1 142 947 219</b>	<b>356 621 150</b>

<b>Capital Budget Requirements</b>	<b>Total capital maintenance backlog</b>	<b>Annual requirement to eliminate backlog</b>	<b>Capital Budget 2012/13 (Year 0)</b>
<b>Water</b>	<b>1,869 973 752</b>	<b>373 994 750</b>	<b>54 000 000</b>
Water pump stations	90 363 000	18 072 600	5 000 000
Water reticulation	1 475 880 102	295 176 020	1 000 000
Water treatment works	67 558 200	13 511 640	33 800 000
Reservoirs, water towers, break pressure tanks	96 240 450	19 248 090	8 300 000
Dams	4 692 000	938 400	5 700 000
Bulk water supply mains	135 240 000	27 048 000	200,000
<b>Sanitation</b>	<b>1 194 613 614</b>	<b>286 500 000</b>	<b>153 726 000</b>
Wastewater treatment works	600 000 000	150 000 000	143 226 000
Sewage pump stations	30 165 648	6 500 000	10 500 000
Sewerage network	564 447 966	130 000 000	-
<b>Roads and Stormwater</b>	<b>2 390 000 000</b>	<b>428 000 000</b>	<b>128 200 000</b>
Rehabilitation of tarred roads and tarring of gravel roads	2,000,000,000	350,000,000	90 000 000

<b>Capital Budget Requirements</b>	<b>Total capital maintenance backlog</b>	<b>Annual requirement to eliminate backlog</b>	<b>Capital Budget 2012/13 (Year 0)</b>
Resurfacing of subsidised tarred roads	50,000,000	10,000,000	1 000 000
Resurfacing of non-subsidised tarred roads	140,000,000	28,000,000	-
Rehabilitation of stormwater facilities	200,000,000	40,000,000	37 200 000
<b>Electricity and Energy</b>	<b>565 878 500</b>	<b>113 175 700</b>	<b>26 200 000</b>
Major substations	50 528 500	10,105 700	12 500 000
Distribution substations	304 700 000	60 940 000	7 000 000
HV overhead lines	77 770 000	15 554 000	6 000 000
Rural and LV lines	132 880 000	26 576 000	700 000
<b>TOTAL</b>	<b>6 020 465 866</b>	<b>1 201 670 450</b>	<b>362 126 000</b>

Urban Settlements Development Grant Expenditure Year 0 (2012/13) on Service Backlogs					
					R000
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
<b>Infrastructure - Road transport</b>				%	%
Roads, Pavements & Bridges	62,000	98,500	98,500	37%	0%
Storm water					
<b>Infrastructure - Electricity</b>					
Generation	-	-	-	-	-
Transmission and Reticulation	-	-	-	-	-
Street Lighting	-	-	-	-	-
<b>Infrastructure - Water</b>					
Dams and Reservoirs	34,602	50,722	2,122	-1530%	-2290%
Water purification	33,800	31,800	14,002	-141%	-127%
Reticulation	64,000	73,380	146,981	56%	50%
<b>Infrastructure - Sanitation</b>					
Reticulation	186,574	108,674	106,143	-76%	-2%
Sewerage purification	46,026	94,926	62,627	27%	-52%
<b>Infrastructure - Other</b>					
Waste Management	-	-	-	-	-
Transportation	-	-	-	-	-
Gas	-	-	-	-	-
<b>Other Specify:</b>					
Human Settlements - Services	165,868	134,868	141,192	-17%	5%
Conditional Grant Funding - VAT Portion (ito NT Circulars 58 and 59)	-	-	21,003	100%	100%
<b>Total</b>	<b>592,870</b>	<b>592,870</b>	<b>592,870</b>	<b>0%</b>	<b>0%</b>
					T 5.8.3



### **COMMENT ON BACKLOGS:**

Like all other South African Municipalities, the Nelson Mandela Bay Municipality is challenged with the eradication of major service delivery backlogs inherited from the previous dispensation in the face of inadequate funding to complete this mammoth task.

While the institution has gradually increased its budgetary spending on the eradication of backlogs in the maintenance of critical infrastructure, it is clear that additional funding is required from external sources for this purpose.

### **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT**

#### **INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT**

The NMBM's experienced major cash flow challenge during the period 2009/10 to 2010/11 and therefore introduced stringent daily cash flow management. Cash flows are based on historic trends and assumptions in respect of the current financial year. Cash outflows are determined with due regard for unpaid commitments from the previous financial year and commitments payable in the ensuing financial year. This differs from National Treasury's approach, which is to only take into account the specific budget year for determining cash flows. This is especially relevant in the case of capital expenditure, where the budget may differ materially from one year to another, with the NMBM's methodology being more prudent in a cash challenge situation.

The NMBM determines the actual cash flow implications for each expenditure and revenue category. Non-cash items are excluded, where appropriate. Furthermore, the NMBM does not acknowledge any cash inflow for interest on outstanding debtors, as the likelihood of converting this into cash, is not very high.

Cash flows in respect of the statement of financial position, such as provisions (Post-retirement benefits) and creditors (Provision for leave pay) are also considered when determining cash flow requirements.

The NMBM plans its investment activities, based on its cash requirements.

The cost coverage is determined on a monthly basis, so as to detect risk factors earlier on. The NMBM does not use the National Treasury calculation when reporting to Council. The National Treasury calculation includes only fixed operating expenditure, whilst the NMBM calculates the ratio by using the full operating and capital cash payments. The NMBM also excludes the Unspent Grants from the Cash and Cash Equivalents. It must be noted that the cost coverage as expressed in T5.4.2 is based on the National Treasury calculation.

All available cash is invested in accordance with the Municipality's Cash and Investments Policy.

## 5.9 CASH FLOW

Cash Flow Outcomes				
R000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjustments Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	5,380,877	5,197,167	5,139,659	5,464,516
Government - operating	1,251,609	1,356,926	1,429,590	1,320,060
Government - capital	1,196,014	771,932	782,932	784,984
Interest	56,892	25,528	41,184	65,624
Dividends				
<b>Payments</b>				
Suppliers and employees	(5,646,580)	(5,702,869)	(5,737,233)	(5,652,911)
Finance charges	(201,297)	(205,239)	(214,552)	(202,622)
Transfers and grants	(40,896)	(79,005)	(82,809)	(83,564)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,996,619</b>	<b>1,364,440</b>	<b>1,358,772</b>	<b>1,696,086</b>

Cash Flow Outcomes				
R000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjustments Budget	Actual
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE			–	
Decrease (Increase) in non-current debtors			–	
Decrease (increase) other non-current receivables			13,315	
Decrease (increase) in non-current investments			–	
<b>Payments</b>				
Capital assets	(1,191,205)	(1,048,473)	(1,400,376)	(1,266,498)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,191,205)</b>	<b>(1,048,473)</b>	<b>(1,387,061)</b>	<b>(1,266,498)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short-term loans			–	
Borrowing long term/refinancing	–		–	
Increase (decrease) in consumer deposits		(3,275)	(3,500)	
<b>Payments</b>				
Repayment of borrowing	(77,058)	(97,444)	(112,444)	(97,444)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(77,058)</b>	<b>(100,719)</b>	<b>(115,944)</b>	<b>(97,444)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>728,356</b>	<b>215,248</b>	<b>(144,233)</b>	<b>332,144</b>
Cash/Cash equivalents at the year begin:	427,658	763,935	1,114,369	1,156,014
Cash/Cash equivalents at the year end:	1,156,014	979,183	970,137	1,488,158
Source: MBRR A7				T 5.9.1

### COMMENT ON CASH FLOW OUTCOMES:

Cash and cash equivalents at year-end increased from R427.66 million in 2010/11 to R1.488 billion in the 2012/13 financial year.

### Components of the Cash flow outcomes:

#### Cash flow from operating activities

Revenue from Services, in particular Electricity sales, has decreased over the last two years due to reduced consumption levels. The budgeted debtors' collection rate was 95%, whilst the actual debtors' collection rate was 92.6% for the 2012/13 financial year.

Interest earned on investments was approximately R24.4 million more than anticipated, due to the increased investments portfolio.

Finance charges were lower than anticipated.

Operating grants were lower than anticipated, as the Housing Top Structure Grant Funding was not fully received.

### **Cash flows from Investing Activities**

It relates mainly to the acquisition of assets. Payments relating to capital projects were lower than anticipated, as the IPTS DORA grant funding was not fully spent as at 30 June 2013.

### **Cash Flows from Financing Activities**

It relates mainly to the repayment of external borrowing, which will continue to decrease, as no borrowing is anticipated over the 2013/14 MTREF.

Cash and cash equivalents increased from R1.15 billion to R1,49 billion, although the growth in 2012/13 was R332.1 million, compared to R728.4 million in the 2011/12 financial year. It is, however, important to note that unspent conditional grants decreased from R441.48 million in 2011/12 to R357.69 million in 2012/13.

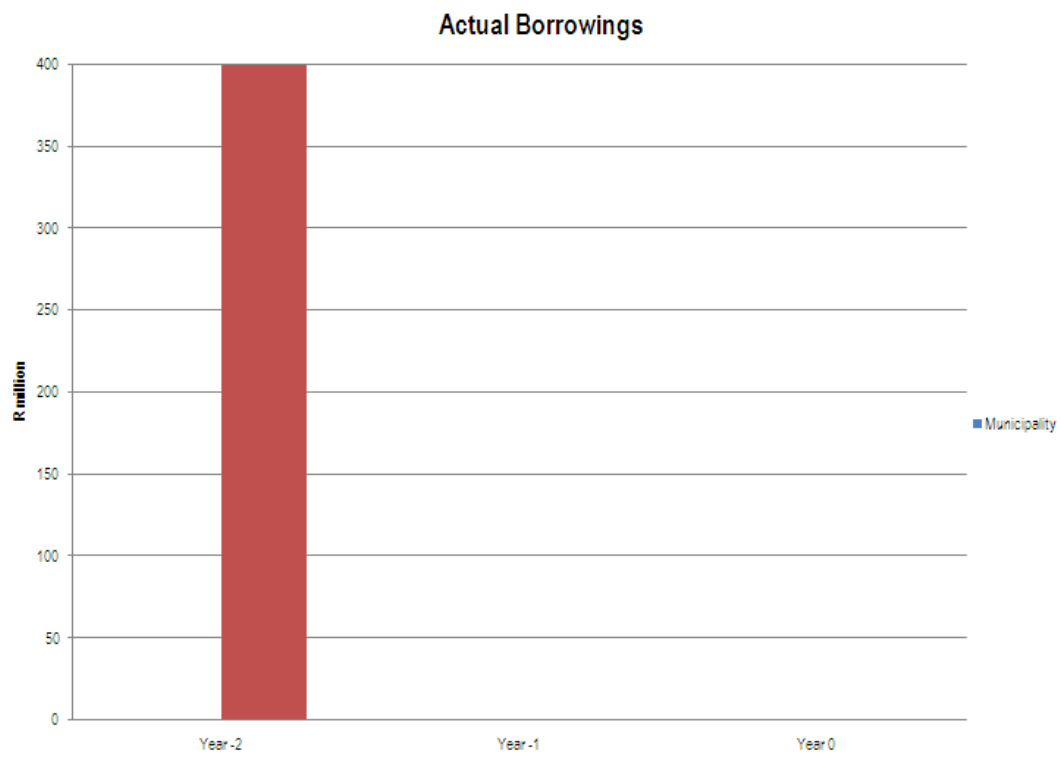
## **5.10 BORROWING AND INVESTMENTS**

### **INTRODUCTION TO BORROWING AND INVESTMENTS**

The NMBM has raised borrowing in the amount of R470 million during the 2010/11 financial year. As the NMBM has reached its optimum borrowing level from a financial affordability point of view, no further borrowing has since been taken up. No further borrowing is planned during the 2013/14 MTREF.

Investments are made on a short-term (three months or less, depending on cash flow levels) basis and in accordance with the Cash Management and Investments Policy. The available cash is invested at various financial institutions and consists of bank deposits only.

Actual Borrowings: Year -2 to Year 0			
	R000		
Instrument	Year -2	Year -1	Year 0
<b><u>Municipality</u></b>			
Long-term loans (annuity/reducing balance)	470000000	0	0
Long-term loans (non-annuity)			
Local registered stock			
Instalment credit			
Financial leases			
PPP liabilities			
Finance granted by cap equipment supplier			
Marketable bonds			
Non-marketable Bonds			
Bankers acceptances			
Financial derivatives			
Other securities			
<b>Municipality Total</b>	<b>470,000,000</b>	<b>0</b>	<b>0</b>
<b><u>Municipal Entities</u></b>			
Long-term Loans (annuity/reducing balance)			
Long-term Loans (non-annuity)			
Local registered stock			
Instalment credit			
Financial leases			
PPP liabilities			
Finance granted by cap equipment supplier			
Marketable bonds			
Non-marketable bonds			
Bankers acceptances			
Financial derivatives			
Other securities			
<b>Entities Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>T 5.10.2</i>			



Municipal and Entity Investments			
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds	630,724,909	428,805,149	1,157,496,819
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	630724909	428805149	1157496819
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	630724909	428805149	1157496819
T 5.10.4			

#### COMMENT ON BORROWING AND INVESTMENTS:

The NMBM's Investment portfolio consists mainly of bank deposits at various financial institutions.

No borrowing has been raised since the amount of R470 million was taken up during the 2010/11 financial year. No borrowing is planned during the period 2013/14 to 2015/16.

The Municipality has not utilised any short borrowing and/or bank overdraft.

The Municipality has not advanced any borrowing to other municipalities, municipal entities, other organizations or governmental institutions.

#### **5.11 PUBLIC PRIVATE PARTNERSHIPS**

The Nelson Mandela Bay Municipality had no Public Private Partnerships during the review period.

### **COMPONENT D: OTHER FINANCIAL MATTERS**

#### **5.12 SUPPLY CHAIN MANAGEMENT**

No official within Supply Chain Management has reached the Minimum Competency Requirements. However, four officials are currently busy with the Unit Standards. Remarks were made by the Auditor-General in the previous Audit about the state of document management in SCM, which led to the qualified audit. However, an action plan was developed and the issue of staff shortage within the Contracts Management Division is being addressed. Funded and vacant positions are currently being filled as follows:

- Assistant Director post, filled w.e.f. 01 July 2013
- Contracts Controller post filled – candidate resuming duties as from 1 October 2013
- Contracts Clerk post filled – candidate assuming duties as from 1 October 2013
- Buyer position advertised - Shortlisting in September 2013



### **5.13 GRAP COMPLIANCE**

The Municipality has implemented all relevant GRAP requirements and has not since 2007/08 received any audit qualification based on GRAP Non-compliance. The Accounting policies to the financial statement state that the Annual Financial Statements have been prepared in accordance with GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board, in accordance with Section 122(3) of the MFMA. In addition, the financial statements include mandatory disclosures in accordance with the MFMA and related regulations.

## CHAPTER 6

# AUDITOR-GENERAL AUDIT FINDINGS

## INTRODUCTION

The Nelson Mandela Bay Municipality produces an Annual Report and Financial Statements on an annual basis, which are then submitted to the Auditor-General for auditing purposes. Once the Auditor-General's Audit Report is received by the institution, an Action Plan is developed to address the audit findings raised by the Auditor-General.

### **COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS (YEAR -1)**

#### **6.1 AUDITOR-GENERAL'S REPORT: YEAR -1 (2011/12)**

<b>Auditor-General Report on Financial Performance: Year -1</b>	
<b>Audit Report Status*:</b>	Qualified audit opinion.
<b>Non-compliance Issues</b>	<b>Remedial Action Taken</b>
Inadequate record keeping in the Supply Chain Management Unit.	Management will institute the necessary action to ensure an appropriate filing system.
Contracts were awarded based on preference points that were not calculated in terms of the Preferential Procurement Policy Framework Act.	The Municipality will put the necessary processes in place to ensure that preference points are correctly calculated in accordance with Section 2 of the Preferential Procurement Policy Framework Act.
The allocations with respect to the integrated Public Transport Systems grant were not utilised solely for the purpose stipulated in the grant framework, as required by Section 15(1) of the Division of Revenue Act.	In order to create an efficient public transport system, stormwater systems on the outside perimeter of the Nelson Mandela Bay Stadium had to be remedied first. The ineffective system on the outside of the stadium caused damage on the inside perimeter. As the initial work was funded from the IPTS Grant, further related expenditure had to be funded from the same source. The aforementioned comments were not taken into account by the AG.
Procurement of goods and services was deliberately split into parts or items of smaller value to avoid complying with the requirements of SCM regulations 19(a) and 36(1).	The tenders awarded during the 2011/12 financial year will be assessed to ascertain whether orders for the procurement of goods and services were indeed split.
T 6.1.1	

Auditor-General's Report on Service Delivery Performance: Year -1	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the annual performance report concerning the usefulness and reliability of the information.	
T 6.1.2	

## **COMPONENT B: AUDITOR-GENERAL OPINION: YEAR 0**

### **6.2 AUDITOR-GENERAL's REPORT: YEAR 0 (2012/13)**

T 6.2.1 Information only available upon receipt of Audit Report from Auditor-General.

T 6.2.2 Information only available upon receipt of Audit Report from Auditor-General

### **AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0 (2012/13)**


Information only available upon receipt of Audit Report from Auditor-General.

### **COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0 (2012/13):**

Information only available upon receipt of Audit Report from Auditor-General.

### **COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Acting Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Acting Chief Financial Officer): .....  ..... Date: 30/9/2013 .....

# APPENDICES

## APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
N B Fihla	FT	Executive Mayor			
T H Ngcolomba	FT	Deputy Executive Mayor			
M E Hermans	FT	Speaker			
Z J Seale	FT	Chief Whip			
F Desi	FT	Constituency Co-ordinator			
B Naran	FT	Budget and Treasury Committee	ANC	81%	75%
XS Banga	FT	Budget and Treasury Committee	ANC		
AP Dashwood	FT	Budget and Treasury Committee	DA		
MJ De Andrade	FT	Budget and Treasury Committee	DA		
LJ De Villiers	FT	Budget and Treasury Committee	DA		
M Feni	FT	Budget and Treasury Committee	ANC		
DA Hayselden	FT	Budget and Treasury Committee	DA		
JS Lindoor	FT	Budget and Treasury Committee	DA		
JN Mapu	FT	Budget and Treasury Committee	ANC		
KG Ntshanyana	FT	Budget and Treasury Committee	COPE		
R Odendaal	FT	Budget and Treasury Committee	DA		
NR Tontsi	FT	Budget and Treasury Committee	ANC		
WM Vaaltyn	FT	Budget and Treasury Committee	ANC		
MF Vena	FT	Budget and Treasury Committee	ANC		
B Lobishe	FT	Economic Development, Tourism and Agriculture	ANC	77%	53%
DN Biddulph	FT	Economic Development, Tourism and Agriculture	DA		
LM Dano	FT	Economic Development, Tourism and Agriculture	ANC		
VG Dyantyi	FT	Economic Development, Tourism and Agriculture	ANC		
S Fillis	FT	Economic Development, Tourism and Agriculture	DA		

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
D Lennard	FT	Economic Development, Tourism and Agriculture	DA		
ZW Jodwana	FT	Economic Development, Tourism and Agriculture	ANC		
BN Mafaya	FT	Economic Development, Tourism and Agriculture	ANC		
NS Magwaca	FT	Economic Development, Tourism and Agriculture	COPE		
SK Mali	FT	Economic Development, Tourism and Agriculture	DA		
SR Marlow	FT	Economic Development, Tourism and Agriculture	DA		
FT Sibeko	FT	Economic Development, Tourism and Agriculture	ANC		
SM Slabbert	FT	Economic Development, Tourism and Agriculture	DA		
MA Vumazonke	FT	Economic Development, Tourism and Agriculture	ANC		
PM Ndlovu	FT	Public Health	ANC	89%	91%
MN Boo	FT	Public Health	UDM		
D Bruintjies	FT	Public Health	ANC		
ML Bungane	FT	Public Health	ANC		
T Gana	FT	Public Health	ANC		
F Greyling	FT	Public Health	DA		
K Kohl	FT	Public Health	DA		
BA Matthee	FT	Public Health	DA		
NJ Mhlobiso	FT	Public Health	ANC		
L Mlomo	FT	Public Health	COPE		
NJ Quluba	FT	Public Health	ANC		
SL Sauls	FT	Public Health	DA		
E Tshazibane	FT	Public Health	DA		
FA van de Linde	FT	Public Health	DA		
BE Mkavu	FT	Human Settlements	ANC	87%	83%
S Baartman	FT	Human Settlements	ANC		
NC Benya	FT	Human Settlements	ANC		
AB Gibbon	FT	Human Settlements	DA		
AP Gqabi	FT	Human Settlements	ANC		
TM Jacobs	FT	Human Settlements	ANC		

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
MS Jodwana	FT	Human Settlements	ANC		
RC Kayser	FT	Human Settlements	COPE		
XT Klaas	FT	Human Settlements	DA		
V Knoetze	FT	Human Settlements	DA		
TP Louw	FT	Human Settlements	DA		
MJ Madolo	FT	Human Settlements	ANC		
PP Naidoo	FT	Human Settlements	DA		
MCC Roberts	FT	Human Settlements	DA		
L Troon	FT	Human Settlements	ANC		
W Jikeka	FT	Human Resources & Corporate Administration	ANC	86%	83%
N du Plessis	FT	Human Resources & Corporate Administration	DA		
FV Frans	FT	Human Resources & Corporate Administration	ANC		
SL Hodi	FT	Human Resources & Corporate Administration	ANC		
LY Kwitsana	FT	Human Resources & Corporate Administration	ANC		
MC Mtanga	FT	Human Resources & Corporate Administration	COPE		
LC Mtwla	FT	Human Resources & Corporate Administration	ANC		
H Muller	FT	Human Resources & Corporate Administration	DA		
GMA Ncamani	FT	Human Resources & Corporate Administration	DA		
ZB Ncwadi	FT	Human Resources & Corporate Administration	ANC		
W Senekal	FT	Human Resources & Corporate Administration	DA		
LB Sterele	FT	Human Resources & Corporate Administration	ANC		
PW Terblanche	FT	Human Resources & Corporate Administration	DA		
BF Wright	FT	Human Resources & Corporate Administration	DA		
ACG Mfunda	FT	Infrastructure, Engineering & Energy	ANC	75%	51%
I Adams	FT	Infrastructure, Engineering & Energy	DA		
RN Captein	FT	Infrastructure, Engineering & Energy	ANC		
B Cekisani	FT	Infrastructure, Engineering & Energy	DA		
NE Gana	FT	Infrastructure, Engineering & Energy	ANC		

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
MS Hote	FT	Infrastructure, Engineering & Energy	COPE		
J Lawack	FT	Infrastructure, Engineering & Energy	DA		
VB Ndidi	FT	Infrastructure, Engineering & Energy	ANC		
TP Nkosiypantsi	FT	Infrastructure, Engineering & Energy	ANC		
BB Nombiba	FT	Infrastructure, Engineering & Energy	ANC		
TS Noqoli	FT	Infrastructure, Engineering & Energy	DA		
SP Smith	FT	Infrastructure, Engineering & Energy	DA		
A Terblanche	FT	Infrastructure, Engineering & Energy	DA		
MZ Tofile	FT	Infrastructure, Engineering & Energy	ANC		
VJ Tutu	FT	Infrastructure, Engineering & Energy	ANC		
NS Magopeni	FT	Sports, Arts, Recreation and Cultural Services	ANC	81%	65%
M Booyesen	FT	Sports, Arts, Recreation and Cultural Services	ACDP		
N Cobo	FT	Sports, Arts, Recreation and Cultural Services	DA		
JSG Davis	FT	Sports, Arts, Recreation and Cultural Services	DA		
A du Plessis	FT	Sports, Arts, Recreation and Cultural Services	DA		
KE Frans	FT	Sports, Arts, Recreation and Cultural Services	ANC		
MEG Haring	FT	Sports, Arts, Recreation and Cultural Services	ANC		
BD Kivedo	FT	Sports, Arts, Recreation and Cultural Services	DA		
SC Mtimkhulu	FT	Sports, Arts, Recreation and Cultural Services	ANC		
NB Mzilikazi	FT	Sports, Arts, Recreation and Cultural Services	ANC		
A Nyikilana	FT	Sports, Arts, Recreation and Cultural Services	ANC		
X Sabani	FT	Sports, Arts, Recreation and Cultural Services	ANC		
MG Steyn	FT	Sports, Arts, Recreation and Cultural Services	DA		
AG Whitfield	FT	Sports, Arts, Recreation and Cultural Services	DA		
TB Mafana	FT	Safety & Security Services	ANC	82%	83%
TP Adams	FT	Safety & Security Services	DA		
JA Arends	FT	Safety & Security Services	DA		
N Belu	FT	Safety & Security Services	ANC		

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
XC Bisset	FT	Safety & Security Services	ANC		
SD Madlavu	FT	Safety & Security Services	ANC		
AW Mama	FT	Safety & Security Services	ANC		
MP Mantla	FT	Safety & Security Services	ANC		
LN Metlavainio	FT	Safety & Security Services	ANC		
B Ngqondela	FT	Safety & Security Services	DA		
G Rautenbach	FT	Safety & Security Services	DA		
GV Valayden	FT	Safety & Security Services	DA		
MR Von Buchenroder	FT	Safety & Security Services	DA		
AB Yawa	FT	Safety & Security Services	PAC		
					T A



## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Public Health	Addresses all matters relating to Environmental Health Services in terms of legislation and by-laws. The Fresh Produce Market and its concerns are included in this Committee.
Sport, Recreation, Arts and Cultural Services	Considers all matters concerning the natural environment, parks and recreation centres, libraries, sport, arts and culture within the institution.
Infrastructure, Engineering & Energy	Addresses all matters concerning civil engineering, infrastructure, i.e. roads, stormwater, sewerage, water services, etc. and monitoring as well as controlling electricity in the institution.
Safety & Security	Addresses all matters concerning Security Services, Disaster Management, Traffic Control as well as Fire services. All Committee recommendations are submitted to the Executive Mayor.
Human Resources & Corporate Administration	Deals with all HR related matters as well as administrative matters on an institutional level, i.e. administrative matters - traveling of officials, cellphones, landlines, catering, etc.
Budget & Treasury	Financial planning, both short and long term. This Committee also monitors the functional performance of the institutional budget for NMBM.
Economic Development, Tourism & Agriculture	Deals with all areas of operation that has bearing on economic development, tourism and/or agriculture in the NMBM geographical area.
Human Settlements	Attends to all land related matters, e.g. purchase, hire, sale and lease of Council property for the intended purpose.
Municipal Public Accounts	Exercises an oversight role in terms of the activities of Council, examines the Financial Statements, Annual Reports and Auditor General reports.
Bid Specifications Committee	Develops specifications for each procurement process that NMBM engages upon.
Bid Evaluation Committee	Evaluates bids received according to set criteria developed for the said committee.
Bid Adjudication Committee	Considers the Bid Evaluation Committee's reports and recommendations after which it makes a final award or a recommendation to the accounting officer if the delegation for a particular item is outside the scope of the Committee.
Executive Mayor	To consider matters/proposals emanating from all Portfolio Committees and exercise his/her delegated authority thereon.
Audit Committee	An independent advisory body that advises Council and the executive on matters related to internal control and risks.

T B

## APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Infrastructure Services	These are the six directorates approved by Council during March 2013. There are no incumbents employed in these posts at present, although the adverts were formally placed during May 2013 (closing date for the said adverts were 15 May 2013).
Planning, Transportation, & Human Settlements Services	
Economic Development Services	
Environmental & Community Development Services	
Land, Property & Asset Management	
Safety & Security	
T C	

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity/Agency (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	N/A	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	No	Yes Agency: Nelson Mandela Bay Tourism
Municipal airports	N/A	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N/A	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	N/A	Function resides with SPCA
Fencing and fences	Yes	
Licensing of dogs	N/A	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	Yes	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	The Municipality has one dog pound in Uitenhage	Function resides with SPCA

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity/Agency (Yes / No)</b>
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
Inner-city renewal	No	Yes Entity: Mandela Bay Development Agency
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>T D</i>

**APPENDIX E – WARD REPORTING**

The Nelson Mandela Bay Municipality did not have a functional Ward Committee System in place during the review period. Therefore, no Ward Committee Reports were issued during the 2012/13 financial year.

## APPENDIX F – WARD INFORMATION

### CAPITAL AND OPERATING PROJECTS BUDGET BY WARD 2012/13 FINANCIAL YEAR

**WARD 1 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:**  
**The Camp, The Gums, Hillside, Stone Kraal, Lake Farm, Oshry, Walmer Heights, Sappershoek, Sardinia Bay,**  
**Biermans Bult, Schoenmakerskop (Madiba Bay), Lovemore Park, Apron Strings, Salisbury Park, Miramar,**  
**Providentia, Pari Park, Pine Village, Southmead, Lovemore Heights, Heatherbank, Theescombe, Farms Port**  
**Elizabeth, Summerstrand, Mount Pleasant, Alington Race-track, Schoenmakerskop**

Project ID	Project Description	2012/2013 Financial Year
20010064	Beachfront	500,000
20100088	Multi-purpose Reefs	-
20030177	Development of Waste Disposal Facilities	-
19990186	Schoenmakerskop Reservoir	100,000
20030030	Lorraine - Bulk Sewerage Augmentation (Year 1 Designs)	20,000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	200,000
20060177	Driftsands Collector Sewer - Augmentation	200,000
20060075	Cape Receife WWTW : Upgrade	200,000
20070234	Summerstrand Bulk Stormwater	-
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>1,260,000</b>
<b>Projects on operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
King's Beach Upgrade (MBDA)		9,000,000
<b>Total Capital &amp; Operating</b>		<b>10,360,000</b>

**WARD 2 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:  
 Summerstrand, Craig Bain, Forest Hill, Brookes Hill, Victoria Park, Stuart Township, Humeral, Lea Place,  
 Central, South End, Forest Hill/Military Base, Humewood, Central, Summerstrand Ext. 10**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20010064	Beachfront	500,000
20080098	Upgrading of Walmer Training Centre (Phase 2 )	-
20030795	Upgrade Beaches, Tourism - 2	500,000
19960195	Summerstrand Reinforcement	1,302,000
20000125	Surf Lifesaving Facilities: New and upgrading	400,000
20070234	Summerstrand Bulk Stormwater	-
<b>Total Capital</b>		<b>2,702,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Tramways Building (MBDA)	10,000,000
<b>Total Capital &amp; Operating</b>		<b>12,802,000</b>

**WARD 3 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Walmer, Athlone Park, Greenshields Park, King Edward Park, Walmer Heights, Walmer Downs, Robert Searle Park, Scotstown, St Georges Park, Hallack Road, Essexvale, Jutland, Mill Park, St Georges**

Project ID	Project Description	2012/2013 Financial Year
19980266	Secure Municipal Parks Facilities	300,000
19940204	H103: Heugh Road (MR427) Widening (3rd Avenue to Wentworth)	1,000,000
19980255	Development Area Traffic Improvements - Walmer	-
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>1,340,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
<b>Total Capital &amp; Operating</b>		<b>1,440,000</b>



**WARD 4 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Walmer, Beutler Way Complex, Walmer Industrial, Southdene, Airport, Area G South, "Area X, O and J", Gqebera (Walmer Township), Area C And E, Area G, Area N, Area N-East, Area P, Area Q (Phases 1 and 2), Forest Hill/Military Base**

Project ID	Project Description	2012/2013 Financial Year
20030421	Cemeteries	166,666
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20120054	Walmer G West (Engineering Services)	-
20120052	Walmer Q - Phase 3 (Engineering Services)	-
19980285	Upgrade Existing Sports Facilities	-
20000149	Maintain/Rehabilitate Sports Facility Infrastructure - PE	500,000
20030177	Development of Waste Disposal Facilities	-
20060240	Theescombe / Gqebera Bulk Stormwater	16,000,000
20050286	Tarring of Gravel Roads - X & J Area	4,000,000
20120086	Walmer Area G West: New Water Pipeline	250,000
20120088	Walmer Area Q Phase 3: New Water Pipeline	250,000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	50,000
20060177	Driftsands Collector Sewer - Augmentation	300,000
20110067	Industrial Site (Airport Valley) - Bulk Sewer	200,000
20030471	Walmer Lorraine Reinforcement	1,150,000
19930283	Street Lighting - Residential Areas	200,000
19980397	Area Lighting - High Mast	40,000
19930264	Informal Housing Electrification	336,557
<b>Total Capital</b>		<b>23,443,223</b>
<b>Projects on Operating Budget</b>		
<b>Other Operating Projects</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	3,259,691
	Litterpicking	99,302
	Township Refurbishment and Upgrade Initiatives (MBDA)	1,000,000
	Walmer O	28,076,425
	Repair of Water Leakages and Water Pipes	
<b>Total Capital &amp; Operating</b>		<b>55,978,641</b>
<b>QUICK WINS:</b>		
	Fencing of pond in Airport Valley	650,000
	Closing pond next to school	350,000
	Blasting of rock - Area Q	4,000,000
	Buckets	1,000,000
	Levelling municipal land next to Denton Site	1,000,000
	Continuous pumping of stormwater	1,000,000
	Repair of high mast lighting	1,000,000
		<b>9,000,000</b>
<b>TOTAL BUDGET</b>		<b>64,978,641</b>

**WARD 5 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: North End, Sydenham, Prince Alfred's Park, Parsons Hill, Millard Grange, Glendinningvale, Mount Croix, Richmond Hill**

Project ID	Project Description	2012/2013 Financial Year
20070196	Mfanasekhaya Gqobose (Eric Tindale) Building - Upgrade and Rehabilitation	1,500,000
20080041	Rehabilitation of Noninzi Luzhipo (Pleinhuis) Building	-
20120075	Buildings Electrical COC	3,000,000
20120076	Woolboard (Conference Center)-Rehabilitation	-
20010064	Beachfront	250,000
20060186	Remedial works: Pell Street Interchange	500,000
20060229	2010 Work Package: Public Transport Facilities	-
20050286	Tarring of Gravel Roads	-
20030074	Mount Road Reinforcement	620,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>5,910,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Western Road Environmental Upgrade Phase 1 (MBDA)	-
	Bird Street / Belmont Terrace Upgrade Phase 2 (MBDA)	4,000,000
	Vuyisile Mini Square Upgrade (MBDA)	-
<b>Total Capital &amp; Operating</b>		<b>10,010,000</b>

**WARD 6 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Fairview, Walmer Downs, Glen Hurd, Greenacres, Willowdene, Broadwood, Charlo, Overbaakens, Springfield, Bog Farm, Mangold Park, Fernglen, Newton Park**

Project ID	Project Description	2012/2013 Financial Year
20010023	Glen Hurd Drive Upgrading	500,000
20020073	Fairview/Lorraine Arterial: Montmedy to Overbaakens	-
20060020	Provision of Sidewalks and Cycle Tracks	537,690
20030030	Lorraine - Bulk Sewerage Augmentation (Year 1 Designs)	20,000
20090039	Fairview Refurbishment	1,500,000
19990144	Rehabilitation of William Moffatt Expressway	-
19980220	Traffic Calming Measures	50,000
<b>Total Capital</b>		<b>2,607,690</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
<b>Total Capital &amp; Operating</b>		<b>2,707,690</b>

**WARD 7 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Mill Park, Korsten, Korsten Dry Lake, Neave Industrial Township, Schauderville, Adcockvale Extension, Mount Road, Newton Park, Kensington, Macleanville, Holland Park, Steytler Township, Adcockvale, Perridgevale, Greenacres, Parsons Hill, Scotstown, Westview, Linkside**

Project ID	Project Description	2012/2013 Financial Year
20070244	2010 Work Package: Bus Rapid Transit	5,118,959
20060229	2010 Work Package: Public Transport Facilities	-
19970061	Newton Park Reinforcement	1,500,000
20050286	Tarring of Gravel Roads	2,000,000
19980397	Area Lighting	40,000
20060020	Sidewalks	500,000
<b>Total Capital</b>		<b>9,158,959</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
	Waste Collection	74,250
<b>Total Capital &amp; Operating</b>		<b>9,531,814</b>

**WARD 8 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Lorraine, Kabega, Treehaven, Willowglen, Glenroy Park, Vikingvale, Ben Kamma, Beverley Grove, Pine Grove, Kamma Creek, Brymore, Hancorn, Kragga Kamma Park, Weybridge Park, Woodlands, Goldwater, Lorraine Manor, Kamma Park**

Project ID	Project Description	2012/2013 Financial Year
20030030	Lorraine - Bulk Sewerage Augmentation (Year 1 Designs)	20,000
20030471	Walmer Lorraine Reinforcement	1,150,000
19980323	Lorraine Stormwater Control	-
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>1,210,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Bus Embayments	
<b>Total Capital &amp; Operating</b>		<b>1,310,000</b>

**WARD 9 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Sunridge Park, Vergelegen, Linton Grange, Westering, Taybank, Moregrove, Westering, Framesby, Fernglen**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20000106	Urban Refuse Transfer Recycling Stations	1,600,000
20042889	Linton: Additional treatment facility	300,000
20042992	Western Reinforcement	4,761,000
19980220	Traffic Calming Measures	40,000
19980397	Area Lighting	40,000
<b>Total Capital</b>		<b>6,741,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Bus Embayments	
	Potholes	
<b>Total Capital &amp; Operating</b>		<b>6,841,000</b>

**WARD 10 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Gelvan Park, Glenhaven, Jarman, Springdale Extension 5, Parkside Extension 10, Bridgehaven Extension 11, Helenvale Extension 6, New Brighton, Schauderville, Korsten, Helenvale Extension 6**

Project ID	Project Description	2012/2013 Financial Year
20070124	2010 Work Package: Modal Interchanges	2,539,790
20070244	2010 Work Package: Bus Rapid Transit	13,940,520
20070215	2010 Work Package: Pedestrian Bridges	7,500,000
20060229	2010 Work Package: Public Transport Facilities	-
19980402	Malabar/ Helenvale Reinforcement	1,075,000
19980397	Area Lighting	40,000
20050286	Tarring of Gravel Roads	2,500,000
19980220	Traffic Calming Measures	40,000
20100100	New Playground Equipment	500,000
<b>Total Capital</b>		<b>28,135,310</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
	Waste Collection	295,924
	Bush Clearing	
	Potholes and unblocking of drains	
<b>Total Capital and Operating</b>		<b>28,729,839</b>

**WARD 11 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Cradock Place, Korsten, Young Park, Kendle St (Industrial), Lindsay Road Industrial Township, Sidwell, Neave Industrial Township, Ferguson Township, Schauderville, Ibhayi, Algoa Park**

Project ID	Project Description	2012/2013 Financial Year
20080023	Storage Facility	-
20120049	Elevator for Traffic Sidwell	-
20070244	2010 Work Package: Bus Rapid Transit	13,940,520
20000172	Korsten Reinforcement	1,550,000
19980397	Area Lighting	40,000
<b>Total Capital</b>		<b>15,530,520</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
	Maintenance of Roads	
	Waste Collection	86,087
<b>Total Capital and Operating</b>		<b>15,915,212</b>



**WARD 12 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:  
Parsons Vlei, Vergelegen, Hunters Retreat, Tulbagh, Glenhaven, Jarman, Bridgemeade, Francis Evatt Park,  
Wonderview, Morningside, Cotswold, Westering, Kabega Park, Malabar, Bethelsdorp**

Project ID	Project Description	2012/2013 Financial Year
20120059	Malabar Ext. 6 Phase 2 (Engineering Services)	-
20120058	Rocklands (Phase 2)	-
20120060	Masakhana Village	-
20120061	Motherwell NU 31	-
20120062	Kuyga (Phase 3)	-
20050286	Tarring of Gravel Roads	2,444,010
20060020	Sidewalks	1,222,005
19980402	Malabar/Helenvale Reinforcement	1,075,000
19980220	Traffic Calming Measures	40,000
19980397	Area Lighting	80,000
<b>Total Capital</b>		<b>4,861,014</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Maintenance of Pavements and Road Repairs		
Waste Collection		139,891
<b>Total Capital &amp; Operating</b>		<b>5,100,905</b>

**WARD 13 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Helenvale Extension 6, Barcelona Helenvale, Bethelsdorp, Helenvale 5 Stage 2 and 3, Allan Heights Extension 12**

Project ID	Project Description	2012/2013 Financial Year
20100101	Cemeteries - computerisation	-
20000106	Urban Refuse Transfer Recycling Stations	-
20060229	2010 Work Package: Public Transport Facilities	-
20080091	Helenvale Urban Renewal Programme	1,000,000
20090055	Nodal and Precinct Development	12,000,000
20090015	Upgrading of Helenvale Resource Centre	24,000,000
19980397	Area Lighting	40,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>37,080,000</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Litterpicking		24,826
Waste Collection		376,630
<b>Total Capital &amp; Operating</b>		<b>37,581,456</b>

**WARD 14 - Ward is completely within the Urban Edge. The suburb within this Ward are the following: New Brighton**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20100104	Mendi Bottle Store Renovation	3,000,000
20000106	Urban Refuse Transfer Recycling Stations	-
19980397	Area Lighting	80,000
20050286	Tarring of Gravel Roads	2,500,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>5,620,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	248,256
	Stormwater Maintenance	
	Waste Collection	330,359
<b>Total Capital &amp; Operating</b>		<b>6,298,615</b>

**WARD 15 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Boast Crescent, Mhlaba Silvertown, Red Location, Ibhayi, Masangwanaville Phase 2, Malakana Silvertown, Ibhayi, Silvertown New Brighton, Masangwanaville (Phase 3)**

Project ID	Project Description	2012/2013 Financial Year
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
19980397	Area Lighting	40,000
20050286	Tarring of Gravel Roads	1,000,000
<b>Total Capital</b>		<b>1,040,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Waste Collection	296,462
	New Brighton Silvertown	3,991,624
	Red Location Upgrade - Singaphi Road (MBDA)	5,000,000
	Township Refurbishment and Upgrade Initiatives (MBDA)	2,000,000
	Potholes	
<b>Total Capital and Operating</b>		<b>12,428,086</b>

**WARD 16 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Ibhayi, New Brighton**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20120053	MK Silver 2 Qaqawuli (Engineering Services)	-
20000106	Urban Refuse Transfer Recycling Stations	900,000
19930283	Street Lighting - Residential Areas - MK Silvertown	200,000
19980397	Area Lighting	40,000
19930264	Informal Housing Electrification	
20050050	John Tallant Road (Grahamstown to Seyisi)	-
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
20050286	Tarring of Gravel Roads (between Hlaula & Tshangana Streets; between Ben Snuka and graveyard; Nconco, Silvertown)	4,000,000
<b>Total Capital</b>		<b>5,360,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Waste Collection	164,641
	Refuse Co-ops (MBDA)	1,000,000
	MK Silvertown	3,955,944
<b>Total Capital &amp; Operating</b>		<b>10,580,585</b>

**WARD 17 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Silvertown Pendla, Qaqawuli (Phase 1), Qaqawuli (Phase 2)**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20010362	Development of Open Spaces	500,000
20100100	New Playground Equipment	400,000
20120051	Nkatha Seyidi - Enkuthazweni (Engineering Services)	1,847,214
20100010	New Brighton Swimming Pool	-
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
20050286	Tarring of Gravel Roads	5,500,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>8,507,214</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Sportsfield Precinct Upgrade (MBDA)	1,000,000
	Litterpicking	198,605
	Waste Collection	271,712
	Repairs of Water Leaks	
<b>Total Capital and Operating</b>		<b>10,077,531</b>

**WARD 18 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaZakhele, Railway Reserve W4, Madikana Informal Community, Kalipa Informal Community, Mandela Village,  
Ibhayi, Kwanoxolo New Brighton**

Project ID	Project Description	2012/2013 Financial Year
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20110059	Mandela Village (KwaZakhele) - Bulk Sewer	200,000
20110061	Kalipa - Bulk Sewer	200,000
19980397	Area Lighting - Mavuso area and Wetlands	40,000
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
19980220	Traffic Calming Measures	40,000
20050286	Tarring of Gravel Roads - KwaNoxolo	2,700,000
<b>Total Capital</b>		<b>3,400,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
	Waste Collection	357,799
	Mandela Village	880,000
	Mandela Village	5,167,735
	Potholes	
<b>Total Capital and Operating</b>		<b>10,104,139</b>

**WARD 19 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaZakhele, Informal Community, Endulwini Nkatha Informal Community, Ekuphumleni Informal Community**

Project ID	Project Description	2012/2013 Financial Year
20120090	Nangoza Jebe (Centenary) Hall Upgrade	-
20120031	Ekuphumleni	-
19970037	Upgrade Wolfson Stadium (Phase 3)	2,000,000
20050286	Tarring of Gravel Roads	3,120,000
20110057	Nkatha / Seyisi - Bulk Sewer	200,000
20110060	Kwanontshinga / Meka - Bulk Sewer	200,000
20120034	Kwanontshinga / Meka	-
20110063	Ekuphumleni: Bulk Sewer	200,000
19980397	Area Lighting	40,000
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
<b>Total Capital</b>		<b>5,980,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
	Waste Collection	194,772
	KwaZaakhele Rectification	6,438,925
<b>Total Capital &amp; Operating</b>		<b>12,912,302</b>



**WARD 20 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Ibhayi Informal Community**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
19980397	Area Lighting	200,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	220,000
19980220	Traffic Calming Measures	80,000
20060020	Provision of Sidewalks and Cycle Tracks	500,000
Rec & Culture	Sports development	-
<b>Total Capital</b>		<b>1,000,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	1,287,815
	Litterpicking	198,605
	Waste Collection	144,734
	Scholarships	
<b>Total Capital &amp; Operating</b>		<b>2,731,154</b>

**WARD 21 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaZakhele, Tambo Village, Madlingozi Informal Community**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20110056	Raymond Mhlaba (Buyambo) - Bulk Sewer	200,000
20110058	Mavuso (Day Hospital Site - Rholihlahla) - Bulk Sewer	200,000
19980397	Area Lighting - Street Lighting	40,000
20100082	Seyisi Square & Daku Square	-
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
19980220	Traffic Calming Measures - Mavuso Road	40,000
20050286	Tarring of Gravel Roads (Khuzwayi, Madlingozi & Matodlana)	2,000,000
19930264	Informal Housing Electrification	1,570,320
<b>Total Capital</b>		<b>4,270,320</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	297,907
	Portland 6 Wetlands and Cleansing	2,400,000
	Potholes	
	Waste Collection	271,174
	Thambo Village 236 Rectification	4,889,930
<b>Total Capital &amp; Operating</b>		<b>12,229,331</b>

**WARD 22 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
Kwazakhele, Railway Reserve W2, Zingisa Village, Thlaba Village**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
19990168	Njoli Square Redevelopment	28,062,000
20050286	Tarring of Gravel Roads	3,000,000
19980397	Area Lighting	40,000
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>31,362,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Waste Collection	355,647
	Zwide Rectification	488,632
<b>Total Capital &amp; Operating</b>		<b>32,306,279</b>

**WARD 23 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 2, N.U. 3, Ramaphose Village N.U.2**

Project ID	Project Description	2012/2013 Financial Year
20060281	Motherwell Cultural Centre	-
20050286	Tarring of Gravel Roads	4,000,000
19980397	Area Lighting	80,000
19980220	Speed Humps	80,000
<b>Total Capital</b>		<b>4,160,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	769,594
	Stormwater Canal	
<b>Total Capital &amp; Operating</b>		<b>5,029,594</b>

**WARD 24 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
Kwazakhele, Soweto-On-Sea Informal Settlement, Mhlaba Village Area Y - Zwide, Sisulu Village, Eluxolweni  
(Vuku), Sharpeville, Masakana Village, Eselileni Informal Community, Cebo Village, Mayibuye Village (Phase 1),  
Silvertown Village Swartkops**

Project ID	Project Description	2012/2013 Financial Year
19980397	Area Lighting - Khiwani	40,000
20030475	New Brighton/KwaZakhele: Bulk Stormwater	220,000
19980220	Traffic Calming Measures - Msongcane School	40,000
20050286	Tarring of Gravel Roads	4,000,000
<b>Total Capital</b>		<b>4,300,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	248,256
	Refuse Co-ops	341,807
	Waste Collection	218,446
<b>Total Capital &amp; Operating</b>		<b>5,208,509</b>

**WARD 25 - Ward is completely within the Urban Edge. The suburb within this Ward are the following: Zwide, KwaZakhele, Barcelona Zwide, Struandale Industrial, New Brighton, Kwaford Industrial**

Project ID	Project Description	2012/2013 Financial Year
19980397	Area Lighting	80,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	240,000
20050286	Tarring of Gravel Roads	4,000,000
20060020	Sidewalks	505,546
<b>Total Capital</b>		<b>4,825,546</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Litterpicking		223,430
Waste Collection		251,266
Covering of Manholes		
<b>Total Capital &amp; Operating</b>		<b>5,400,242</b>

**WARD 26 - The suburbs within this Ward are the following: Zwide, Silvertown Sisonke Zwide, Railway Reserve W1**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20050286	Tarring of Gravel Roads	2,408,882
20110062	Hlalani (Qeqe) - Bulk Sewer	200,000
19980397	Area Lighting	40,000
20060237	Zwide Bulk Stormwater	2,000,000
<b>Total Capital</b>		<b>4,648,882</b>
<b>Projects on Operating Budget</b>		
<b>Other Operating Projects</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	223,430
	Refuse Co-ops	432,006
	Waste Collection	207,147
<b>Total Capital and Operating</b>		<b>5,611,465</b>

**WARD 27 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Soweto-On-Sea Informal Settlement, Silvertown Limba (Zwide)**

Project ID	Project Description	2012/2013 Financial Year
20060020	Provision of Sidewalks/Pathways and Cycle Tracks	250,996
20050286	Tarring of Gravel Roads	3,540,545
19980397	Area Lighting: High-mast	40,000
20120092	Soweto Square Development	-
20060237	Zwide Bulk Stormwater	-
<b>Total Capital</b>		<b>3,831,541</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
	Refuse Co-ops	1,627,857
	Waste Collection	29,592
	Limba Silvertown Rectification	7,726,417
<b>Total Capital &amp; Operating</b>		<b>13,514,012</b>



**WARD 28 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Veeplaas, Kuwait Zwide**

Project ID	Project Description	2012/2013 Financial Year
20050286	Tarring of Gravel Roads	3,000,000
20010118	Ibhayi Reinforcement	580,000
19980397	Area Lighting	40,000
20060237	Zwide Bulk Stormwater	-
19980220	Traffic Calming Measures	40,000
19930264	Informal Housing Electrification	714,800
<b>Total Capital</b>		<b>4,374,800</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	347,558
	Waste Collection	358,875
	Refuse Co-ops	
	Maintenance of Sewer Pipes	
<b>Total Capital &amp; Operating</b>		<b>5,181,233</b>

**WARD 29 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
 Bloemendal, Bethelsdorp, Normanville Ext. 22, Timothy Valley, Block 23 South Frans Valley, Jacksonville,  
 Kuscus Heights Ext. 26, Aspen Heights Ext. 26, Palmridge Ext. 23, Loonatville Ext. 23, Heath Park, Jegelsville  
 Village, Extension 20, Extension 24, Kemp Park Ext. 30**

Project ID	Project Description	2012/2013 Financial Year
20030421	Cemeteries	166,666
20100101	Cemeteries - computerisation	-
20010362	Development of Open Spaces	500,000
20100100	New Playground Equipment	400,000
19980397	Area Lighting	40,000
20050286	Tarring of Gravel Roads	3,500,000
Public		
Health	Waste Disposal	-
<b>Total Capital</b>		<b>4,606,666</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	198,605
<b>Total Capital &amp; Operating</b>		<b>4,905,271</b>

**WARD 30 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaMagxaki, Soweto On Sea Informal Settlement, Veeplaas, Bethelsdorp, Ibhayi, Ibhayi Cemetery**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20010362	Development of Open Spaces	500,000
20100100	New Playground Equipment	400,000
19980285	Upgrade Existing Sports Facilities	-
19980397	Area Lighting	40,000
20050286	Tarring of Gravel Roads	5,000,000
<b>Total Capital</b>		<b>5,940,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Waste Collection	79,630
	Potholes	
	Cleaning Co-op	300,000
<b>Total Capital &amp; Operating</b>		<b>6,419,630</b>

**WARD 31 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Algoa Park, Windvogel, Erf 1542 Bethelsdorp, Balfour Heights (Smartie Town), Missionvale, Missionvale Garden Lots Phase 1, Missionvale Garden Lots Phase 2, Hillside Ext 9, Bethelsdorp**

Project ID	Project Description	2012/2013 Financial Year
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20110092	Missionvale Garden Lots (Engineering Services)	21,308,875
20030670	Rehabilitation of Infrastructure Salt Pans	50,000
20080082	Missionvale: Stormwater Improvements	15,500,000
20050286	Tarring of Gravel Roads	3,687,921
19980397	Area Lighting	40,000
<b>Total Capital</b>		<b>40,586,796</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	726,516
	Litterpicking	248,256
	Waste Collection	59,185
	Cable Theft Replacement	
<b>Total Capital &amp; Operating</b>		<b>41,720,753</b>

**WARD 32 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:  
Bethelsdorp, Salsoneville - Ext 16, Cleary Park - Ext 10, Hillside Ext 9, Missionvale, Erf 1542 Bethelsdorp, Salt  
Lake - Ext 8, Grootkloof Tip**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20000203	Implementation - Van Der Kemp's Kloof	750,000
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
19980285	Upgrade Existing Sports Facilities	-
20000149	Maintain/Rehabilitate Sports Facility Infrastructure - PE	500,000
20030670	Rehabilitation of Infrastructure Salt Pans	50,000
20070124	2010 Work Package: Modal Interchanges	3,047,748
20060020	Provision of Sidewalks and Cycle Tracks	384,245
19980370	Missionvale Bulk Sewerage Reticulation	6,000,000
20110092	Missionvale Garden Lots (Engineering Services)	9,132,375
19980397	Area Lighting	50,000
<b>Total Capital</b>		<b>19,914,368</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	693,293
	Litterpicking	297,907
	Waste Collection	189,391
	Bloemendal, Erf 1542 Rectification	6,024,918
	Repairs & Maintenance	
	Clinics	
	Potholes	
<b>Total Capital &amp; Operating</b>		<b>27,219,877</b>

**WARD 33 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Govan Mbeki, Rocky Ridge - Ext 27, Kleinskool Area K, Bethelsdorp, KwaDwesi**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20030421	Cemeteries	166,666
20000106	Urban Refuse Transfer Recycling Stations	-
20080090	Govan Mbeki Midblock Mains	1,000,000
19960525	Chatty Valley Collector Sewer Stage 1 (Nodes 20-24)	13,024,000
19970063	Bethelsdorp 11 kV Reinforcement	110,000
19980397	Area Lighting: High-mast (Kliprant)	40,000
19930264	Informal Housing Electrification	250,100
20050286	Tarring of Gravel Roads - Govan Mbeki	2,000,000
<b>Total Capital</b>		<b>16,590,766</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	222,158
	Litterpicking	198,605
	Waste Collection	379,859
<b>Total Capital &amp; Operating</b>		<b>17,491,388</b>

**WARD 34 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
Bethelsdorp, Rocky Ridge - Ext 27, Solomon Estates - Ext 28, Nickalisville, Fernwood Park - Ext 29, Arcadia  
North, Chatty Arcadia Ext 12, Extension 13**

Project ID	Project Description	2012/2013 Financial Year
20060020	Provision of Sidewalks and Cycle Tracks	879,982
20030030	Lorraine - Bulk Sewerage Augmentation (Year 1 Designs)	20,000
19980397	Area Lighting	40,000
19980285	Upgrade Existing Sports Facilities	-
<b>Total Capital</b>		<b>939,982</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	273,082
	Waste Collection	120,522
	Maintenance of Parks	
	Arcadia North	26,667,424
	Arcadia North	27,151,553
<b>Total Capital &amp; Operating</b>		<b>55,252,563</b>

**WARD 35 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Sanctor Vars Vlei - Ext 14, Extensions 18 and 19, West End - Ext 11, Chatty Arcadia Ext 12, Bethelsdorp, Marock Road Informal Community**

Project ID	Project Description	2012/2013 Financial Year
20030421	Cemeteries	166,666
20100101	Cemeteries - computerisation	-
19980397	Area Lighting	90,000
Rec & Culture	Upgrade of sports Fields and Facilities	-
Rec & Culture	Upgrading of Parks	-
19980220	Speed Humps	100,000
<b>Total Capital</b>		<b>356,666</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	248,256
	Waste Collection	220,598
	Potholes	
<b>Total Capital &amp; Operating</b>		<b>925,520</b>



**WARD 36 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaDwesi, KwaDwesi Informal, Kwadwesi Extension**

Project ID	Project Description	2012/2013 Financial Year
20000106	Urban Refuse Transfer Recycling Stations	-
19930283	Street Lighting - Residential Areas	-
19980397	Area Lighting	50,000
20050286	Tarring of Gravel Roads - Westville and Extension	2,000,000
<b>Total Capital</b>		<b>2,050,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	347,558
	Refuse Co-ops	
	Potholes	
	Cleaning of Drains	
	Westville Development	37,600,000
	Bush Clearing	
<b>Total Capital &amp; Operating</b>		<b>40,097,558</b>

**WARD 37 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:  
Kwanoxolo - Ext 37, Moeggesukkel, Bethelsdorp, Extension 36, Extension 35, Kleinskool Area K, Extension 34,  
Floral Park - Ext 33, Chatty Ext 31, Rocky Ridge - Ext 27**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20050286	Tarring of Gravel Roads	5,497,501
19930283	Street Lighting - Residential Areas	-
19980397	Area Lighting	50,000
19930264	Informal Housing Electrification	360,000
19980220	Speed Humps	50,000
<b>Total Capital</b>		<b>5,957,501</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	760,941
	Litterpicking	99,302
	Bethelsdorp Extension 35 Rectification	44,874,960
	Bethelsdorp Extension 36 Rectification	16,859,280
	Potholes and Drains	
	Schools and Clinics	
<b>Total Capital &amp; Operating</b>		<b>68,651,984</b>

**WARD 38 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Timothy Valley, Block 23 South Frans Valley, Block 23 North Kwanoxolo, Willowdene - Ext 21**

Project ID	Project Description	2012/2013 Financial Year
20000106	Urban Refuse Transfer Recycling Stations	-
20050286	Tarring of Gravel Roads	2,527,263
19980397	Area Lighting	50,000
19980220	Speed Humps	50,000
<b>Total Capital</b>		<b>2,627,263</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Bethelsdorp Extension 37 Rectification	34,474,320
	Bloemendal Block 23 North Rectification	62,256,864
	Bloemendal Block 23 South (Jacksonville) Rectification	70,024,129
	Geysers	
	Potholes	
<b>Total Capital &amp; Operating</b>		<b>169,482,576</b>

**WARD 39 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Hunters Retreat, Kabega Park, Sherwood, Utopia, Kuene Park, Harmony, Van Der Stel, Rowallan Park**

Project ID	Project Description	2012/2013 Financial Year
19940201	H45 Redhouse - Chelsea Arterial: Walker Drive to N2	4,000,000
20030030	Lorraine - Bulk Sewerage Augmentation (Yr1 Designs)	20,000
20030472	Hunters Reinforcement	1,080,000
19980220	Speed Humps	80,000
<b>Total Capital</b>		<b>5,180,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Local Spatial Development Framework	
	Potholes & Stormwater Manhole Covers	
	Bush Clearing	
<b>Total Capital &amp; Operating</b>		<b>5,280,000</b>

**WARD 40** - This wards urban areas are largely coastal and rural villages that have their own urban edges, but large parts of this ward is farming areas. The suburbs within this Ward are the following: Farmland, Woodridge, Witteklip Housing Development, Van Stadens River Mouth, Rocklands Housing Development, Hopewell, The Valleys, Poplar Grove, Masakane (Kuyga), Parkholme, Swinburne, Windomayne, The Flats, Verdun, Chinchilla Farm, Sea View Game Park, Hillside, Stone Kraal, Goedemoedsfontein East, Sea View West, Sea View Pump Station, Tembani, Fairview Racecourse, St Albans Prison, St Albans Housing Development, Blue Horizon Bay, Fitchholme, Rendalton, Beachview, Westlands, Crockart Hope, Murray Park, Denholme, Kini Bay, Seaview, Greenbushes, Theescombe, Hunters Retreat, Kwanobuhle, Clarendon Marine

Project ID	Project Description	2012/2013 Financial Year
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20000106	Urban Refuse Transfer Recycling Stations	-
20060241	Blue Horizon Bay Bulk Stormwater	2,000,000
20080089	Van Stadens Village Upgrade	1,000,000
20070149	Moffet Dam: Rehabilitation	200,000
20050106	Seaview Pump Station: Upgrade	4,000,000
20120085	KwaNobuhle Reservoir Link Watermain	125,000
20030511	Seaview Bulk Water	1,000,000
20030512	St Albans Bulk Water	250,000
20030297	Van der Kemp's Reservoir and Approach Main	250,000
20080048	Jagtlakte: Bulk Water Supply Pipeline	100,000
20060103	Jagtlakte Bulk Sewerage	250,000
20030167	Rockland PHB Housing Project: Wastewater Treatment Works	100,000
20030405	Witteklip Bulk Sewerage	2,000,000
20010119	Uitenhage Reinforcement	510,000
19980397	Area Lighting	50,000
20080081	Greenbushes: Stormwater Improvements	-
19930264	Informal Housing Electrification	100,424
20050286	Tarring of Gravel Roads	3,624,207
19940098	Improvements to Sewerage System	10,000,000
19980220	Speed Humps	50,000
<b>Total Capital</b>		<b>25,609,631</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Refuse Co-ops		1,530,538
Litterpicking		198,605
<b>Total Capital &amp; Operating</b>		<b>27,438,774</b>

**WARD 41 - This built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Bloemendal, Chatty 3 And 4, Chatty Phase 3, Chatty Phase 4, Chatty Extension 4, Chatty Extension 5, Booysens Park, Chatty Extension 1, Chatty Extension 3, Chatty Phase 1, Ncebu Faku Village, Chatty Extension 2, Despatch, Farms Uitenhage, Joe Slovo, Joe Slovo West, KwaDwesi Informal, Westville North Area C, Daleview Extension Area A**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20000203	Implementation - Van Der Kemp's Kloof	750,000
20010362	Development of Open Spaces	500,000
20100100	New Playground Equipment	400,000
20120033	Jagtlakte (Chatty 11-14)	-
20000106	Urban Refuse Transfer Recycling Stations	-
20080078	Chatty: Stormwater Improvement	-
20120085	KwaNobuhle Reservoir Link Watermain	125,000
20030297	Van der Kemp's Reservoir and Approach Main	250,000
20080048	Jagtlakte: Bulk Water Supply Pipeline	40,000
19980348	Paapenkuils Main Sewer Augmentation	1,000,000
19980353	Main Sewer Augmentation (Chatty Ext 3 & 4) (Nodes 31-32)	-
20060103	Jagtlakte Bulk Sewerage	100,000
19930283	Street Lighting - Residential Areas	200,000
19930264	Informal Housing Electrification	7,673,540
20050286	Tarring of Gravel Roads	5,000,000
<b>Total Capital</b>		<b>16,038,540</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	248,256
	Refuse Co-ops	2,128,162
	Chatty 3 & 4 Rectification	1,411,297
<b>Total Capital &amp; Operating</b>		<b>19,926,255</b>

**WARD 42 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaNobuhle Area 6, KwaNobuhle Area 7, KwaNobuhle Area 8, KwaNobuhle Area 8 Phase 2**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20030603	Stormwater Drainage System: Phase 2: Mondile Str.: KwaNobuhle	3,500,000
20060020	Provision of Sidewalks and Cycle Tracks	617,068
20050108	Replacement of KwaNobuhle Reservoir	1,000,000
20080144	KwaNobuhle: Upgrading of water reticulation	167,000
20080138	KwaNobuhle: Upgrading of sewer reticulation	167,000
20070144	KwaNobuhle WWTW : Upgrading	751,500
19980397	Area Lighting	50,000
19980220	Traffic Calming Measures	80,000
20050286	Tarring of Gravel Roads	4,000,000
<b>Total Capital</b>		<b>10,332,568</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	322,733
	Waste Collection	442,272
	KwaNobuhle Area 8 (Rectification)	1,621,402
<b>Total Capital &amp; Operating</b>		<b>12,818,975</b>

**WARD 43 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
KwaNobuhle Area 4, KwaNobuhle, Sikhotina, KwaNobuhle Area 6, KwaNobuhle Area 7, KwaNobuhle Area 7  
(Phase 1)**

Project ID	Project Description	2012/2013 Financial Year
20080144	Kwanobuhle: Upgrading of water reticulation	167,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	167,000
20070144	Kwanobuhle WWTW : Upgrading	751,500
19980397	Area Lighting	40,000
20050286	Tarring of Gravel Roads	-
19980220	Traffic Calming Measures	40,000
20060020	Sidewalks	1,000,000
Public Health	Waste Drop-off Centre (Cnr Kiva and Cushe)	-
<b>Total Capital</b>		<b>2,165,500</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Litterpicking		248,256
Waste Collection		295,924
KwaNobuhle Area 7		2,776,110
KwaNobuhle Area 7		3,658,060
KwaNobuhle Area 6		1,621,402
KwaNobuhle Area 6		6,100,058
<b>Total Capital &amp; Operating</b>		<b>16,965,310</b>



**WARD 44 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: UDDI (Jagtlakte), Kwanobuhle Area 8, Area 3, Kwanobuhle Area 7 Phase 2, Kwanobuhle Area 7, Kwanobuhle Area 7 Phase 1, Kwanobuhle Area 4, Solomon Mhlangu, Kwanobuhle Area 8A, Kwanobuhle, Kwanobuhle Area 1, Area 4**

Project ID	Project Description	2012/2013 Financial Year
20120087	Kwanobuhle Admin Building	-
20080048	Jagtlakte: Bulk Water Supply Pipeline	40,000
20080144	KwaNobuhle: Upgrading of water reticulation	167,000
20080138	KwaNobuhle: Upgrading of sewer reticulation	167,000
20060103	Jagtlakte Bulk Sewerage	100,000
20070144	KwaNobuhle WWTW : Upgrading	751,500
19930283	Street Lighting - Residential Areas	-
19980397	Area Lighting	50,000
20050286	Tarring of Gravel Roads	2,000,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>3,315,500</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Waste Collection	510,065
	KwaNobuhle Area 8	1,621,402
	Soloman Mahlangu Rectification	12,298,634
<b>Total Capital &amp; Operating</b>		<b>17,845,601</b>

**WARD 45 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Farms Uitenhage, Area 3, KwaNobuhle Area 11, KwaNobuhle Area 10, KwaNobuhle Area 9 Phase 2, KwaNobuhle Area 9 Gunguluza, KwaNobuhle Area 5, Kamesh Cell 3 (Phase 3), Lapland, Kamesh 2, Tiryville, Kamesh Cell 3 (Phase 2), KwaNobuhle (Garden Lots), Uitenhage**

Project ID	Project Description	2012/2013 Financial Year
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20120030	KwaNobuhle Area 11 (Engineering Services)	-
20070140	Groendal Dam: Rock Stabilisation and Improved Outlet	2,000,000
20080144	KwaNobuhle: Upgrading of water reticulation	167,000
20080138	KwaNobuhle: Upgrading of sewer reticulation	167,000
20110068	KwaNobuhle Area 11 - Link Sewer	200,000
20070144	KwaNobuhle WWTW : Upgrading	751,500
19980397	Area Lighting	50,000
19930264	Informal Housing Electrification	650,000
20050286	Tarring of Gravel Roads - Bantom Road	2,500,000
19980220	Speed Humps	50,000
<b>Total Capital</b>		<b>6,535,500</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	397,210
<b>Total Capital &amp; Operating</b>		<b>7,032,710</b>

**WARD 46 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
Kwanobuhle Area 01, Kwanobuhle Area 02, John Gomono, Area 3A, Chris Hani/Ramaphosa Area 5A, Chris  
Hani/Ramaphosa Phase 2, Eric Dodd, Alexander Park Industrial, De Mist, Dr Brawn, Despatch (Commonage),  
Uitenhage Commonage, Despatch (VW Test Track)**

Project ID	Project Description	2012/2013 Financial Year
20060020	Provision of Sidewalks and Cycle Tracks	408,911
20080048	Jagtlakte: Bulk Water Supply Pipeline	20,000
20080144	KwaNobuhle: Upgrading of Water Reticulation	167,000
20080138	KwaNobuhle: Upgrading of Sewer Reticulation	167,000
20060103	Jagtlakte Bulk Sewerage	50,000
20070144	KwaNobuhle WWTW : Upgrading	751,500
20010119	Uitenhage Reinforcement	994,000
19980397	Area Lighting	50,000
20050286	Tarring of Gravel Roads	2,000,000
<b>Total Capital</b>		<b>4,608,411</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Chris Hani Ramaphosa		49,331,200
<b>Total Capital &amp; Operating</b>		<b>54,039,611</b>

**WARD 47 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Farms Uitenhage, Kwanobuhle Area 2, Area 3, Joe Modise Peace Village Phase 1, Joe Modise Peace Village Phase 2 Area 3, Joe Modise Peace Village Phase 2 Area 1, Kwanobuhle Area 01, Jolobe Area 02 Informal Area, Peace Village, Joe Modise Peace Village Phase 2 Area 2, Chris Hani/Ramaphosa Phase 2**

Project ID	Project Description	2012/2013 Financial Year
20100077	KwaNobuhle Municipal Aerodrome - Upgrade of Perimeter Fencing	-
20030421	Cemeteries	166,666
20100101	Cemeteries - computerisation	500,000
20060020	Provision of Sidewalks and Cycle Tracks	472,889
20030601	Construction of a 1,0 MI Reclaimed Effluent Reservoir: Uitenhage	1,250,000
20080144	KwaNobuhle: Upgrading of Water Reticulation	165,000
20080138	KwaNobuhle: Upgrading of Sewer Reticulation	165,000
20070144	Kwanobuhle WWTW : Upgrading	742,500
19980397	Area Lighting: High-mast	50,000
<b>Total Capital</b>		<b>3,512,055</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	496,512
	Joe Modise Peace Village - Phase 2	48,100,672
<b>Total Capital &amp; Operating</b>		<b>52,209,239</b>

**WARD 48 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Central, Cape Road Industrial, Uitenhage Commonage, Riverside Industrial, Afghanistan Informal Community, Blikkiesdorp, Gerald Smith, Curry, Uitenhage Sport Fields, Mc Naughton, College Hill, Joe Slovo Uitenhage, Middle Street, Uitenhage, Uitenhage Railway, Jubilee Cemetery, Jubilee Park**

Project ID	Project Description	2012/2013 Financial Year
20120077	Uitenhage Townhall- Roof Replacement	1,500,000
20090053	Upgrade of Uitenhage Dog Pound	500,000
20100101	Cemeteries - computerisation	-
20110088	Joe Slovo - Uitenhage Phase 1 (Engineering Services)	7,873,950
20030195	Baird Street Reconstruction (Mitchell to Mel Brooks)	-
20070124	2010 Work Package: Modal Interchanges	846,597
20060020	Provision of Sidewalks and Cycle Tracks	351,000
20030601	Construction of a 1,0 MI Reclaimed Effluent Reservoir: Uitenhage	1,250,000
20110066	Joe Slovo (Uitenhage) - Bulk Sewer	200,000
20070147	Kelvin Jones WWTW: Upgrade	30,126,000
20010119	Uitenhage Reinforcement	1,707,000
19930283	Street Lighting - Residential Areas	200,000
20010257	Magennis Street Reconstruction	-
20010260	Ring Road (between Baird and Cuyler Streets)	-
20050286	Tarring of Gravel Roads	2,000,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>46,594,547</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
<b>Total Capital &amp; Operating</b>		<b>46,694,547</b>

**WARD 49 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Rosedale, Uitenhage, Mountain View, Thomas Gamble, Allenridge West, Infill Area, Farms Uitenhage**

Project ID	Project Description	2012/2013 Financial Year
20100101	Cemeteries - computerisation	-
20010307	Upgrade of Groendal Water Treatment Works	11,000,000
20030601	Construction of a 1,0 MI Reclaimed Effluent Reservoir: Uitenhage	1,250,000
20110053	Uitenhage Allenridge West Phase 2 - Bulk Sewer	200,000
19930283	Street Lighting - Residential Areas	200,000
19980397	Area Lighting	40,000
19980220	Traffic Calming Measures	80,000
<b>Total Capital</b>		<b>12,770,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops (EPWP)	1,100,000
	Maintenance of Sidewalks	
	Bush Clearing	
<b>Total Capital &amp; Operating</b>		<b>13,970,000</b>

**WARD 50 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following:  
Mandelaville, Rosedale, Uitenhage, Mc Naughton, Kabah Langa Phase 4, Kabah Langa Phase 5, Middle Street,  
Kabah Lange Greenfields, Limekaya Informal Community, Kabah 17th Ave (Mija), Kabah Langa (Phase 3), Kabah  
Langa (Phase 2), Uitenhage Commonage, Mandela 1 (Pola Park)**

Project ID	Project Description	2012/2013 Financial Year
20100101	Cemeteries - computerisation	-
20000149	Maintain/Rehabilitate Sports Facility Infrastructure - PE	500,000
20000106	Urban Refuse Transfer Recycling Stations	-
20060020	Provision of Sidewalks and Cycle Tracks - Maduna and North Streets	632,735
20030601	Construction of a 1,0 MI Reclaimed Effluent Reservoir: Uitenhage	1,250,000
20110065	Mandelaville - Bulk Sewer	200,000
19980397	Area Lighting	50,000
20050286	Tarring of Gravel Roads - Mandela Lane	1,500,000
<b>Total Capital</b>		<b>4,132,735</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Refuse Co-ops (EPWP)		1,300,000
<b>Total Capital and Operating</b>		<b>5,532,735</b>

**WARD 51 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:**  
**Uitenhage Commonage, Janssendal, Leyvale, Vanes Estate, Central, College Hill, Penford, Mosel, Valleisig,**  
**Scheepershoogte, Van Riebeeck Hoogte, Strelizia Park, Fairbridge Heights, Uitenhage Golf Course, Strelizia Park**  
**Extension, Winterhoek Park Extension, Winterhoek Park, Farms Uitenhage**

Project ID	Project Description	2012/2013 Financial Year
20060082	Upgrading of Springs Water Treatment Works	500,000
20010119	Uitenhage Reinforcement	863,000
20010257	Magennis Street Reconstruction	-
19930002	Resurfacing of Roads	-
<b>Total Capital</b>		<b>1,363,000</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	148,954
<b>Total Capital and Operating</b>		<b>1,611,954</b>



**WARD 52 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Manor Heights, Reservoir Hills, Khayamandi Area 1 And B, Daleview, Daleview Ext Area A, Sentraal, Heuvelkruin, Bothasrus, Campher Park, Despatch**

Project ID	Project Description	2012/2013 Financial Year
20110091	Khayamandi Extension	35,408,100
20000149	Maintain/Rehabilitate Sports Facility Infrastructure - PE	500,000
20060020	Provision of Sidewalks and Cycle Tracks	147,604
20120084	San Souci	-
20030470	Despatch Reinforcement	1,519,000
19930283	Street Lighting - Residential Areas	-
19980397	Area Lighting	50,000
20050286	Tarring of Gravel Roads	2,000,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>39,664,704</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	1,191,629
	Joe Slovo Extension	15,562,752
	Sakiesdorp Rectification	641,476
	Water Leakages	
<b>Total Capital &amp; Operating</b>		<b>57,160,561</b>

**WARD 53 - The built-up area falls largely within the Urban Edge. Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Azalea Park, Windsor Park, Retief, Heuwelskruin, Sentraal, Farms Uitenhage, Rosedale, Rosedale Ext. 1, Rosedale Ext. 2, Kabah Langa (Phase 1), Kabah Langa (Phase 2), Riverside Park, Connonville, Colchester, Despatch, Uitenhage, Farmland, Coega**

Project ID	Project Description	2012/2013 Financial Year
20120074	Despatch Town Hall - Roof Replacement	1,000,000
20030177	Development of Waste Disposal Facilities	-
20100034	Balmoral Reservoir and Bulk Pipeline	500,000
20030295	Construction of Amanzi Reservoir and Pipeline	125,000
20060081	Coega Reclaimed Effluent Scheme	-
20060101	Colchester - Sewer Reticulation	100,000
20080133	Bellmoral Collector Sewer	100,000
20080134	Florida Collector	100,000
20060102	Colchester - Bulk Sewerage Infrastructure & WWTW	500,000
20060106	Motherwell North Bulk Sewerage	500,000
20030182	Upgrade Despatch Reclamation Works	100,000
19980397	Area Lighting	50,000
20080080	Cannonville/Colchester: Stormwater improvements	-
20110096	Rosedale	6,473,490
20050286	Tarring of Gravel Roads	-
<b>Total Capital</b>		<b>9,548,490</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Refuse Co-ops		491,557
Litterpicking		496,512
Motherwell Nu 8-12		2,730,777
<b>Total Capital &amp; Operating</b>		<b>13,367,336</b>

**WARD 54 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 12, Tjoksville 400, N.U. 30, N.U. 29, N.U. 10, N.U. 11**

Project ID	Project Description	2012/2013 Financial Year
20110093	Motherwell NU 29 - Stage 3 (Engineering Services)	20,702,800
20120055	Motherwell NU 30 (Engineering Services)	15,018,000
20050286	Tarring of Gravel Roads	3,556,321
20030295	Construction of Amanzi Reservoir and Pipeline	125,000
20060106	Motherwell North Bulk Sewerage	100,000
19930283	Street Lighting - Residential Areas	-
19980397	Area Lighting	50,000
19930264	Informal Housing Electrification	4,658,606
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	-
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>44,250,727</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	819,245
	Refuse Co-ops	1,000,000
	Motherwell Tjoks Phase 1	762,487
<b>Total Capital &amp; Operating</b>		<b>46,932,459</b>

**WARD 55 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Greater Tjoksville (Steve Tshwete Village), N.U. 1, N.U. 11, N.U. 10**

Project ID	Project Description	2012/2013 Financial Year
20050286	Tarring of Gravel Roads	2,833,795
19980397	Area Lighting	50,000
19930264	Informal Housing Electrification	302,800
19980220	Traffic Calming Measures (Ingwe to Hlosi Circles)	50,000
Roads	Traffic Lights (Tyinira/Sandile Street)	-
<b>Total Capital</b>		<b>3,236,595</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Refuse Co-ops	1,426,329
	Litterpicking	546,163
	Motherwell Tjoks Phase 2	4,903,797
<b>Total Capital &amp; Operating</b>		<b>10,212,884</b>

**WARD 56 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following:  
N.U. 1, N.U. 2, N.U. 10, Ramaphose Village N.U.1, Ikamvelihle (North of Addo and Coega), Motherwell, N.U. 29**

Project ID	Project Description	2012/2013 Financial Year
20030421	Cemeteries	166,670
20100101	Cemeteries - computerisation	500,000
20010362	Development of Open Spaces	-
20100100	New Playground Equipment	-
20000106	Urban Refuse Transfer Recycling Stations	-
20090038	Stormwater Improvements (Ikamvelihle)	2,000,000
20050286	Tarring of Gravel Roads	-
20030295	Construction of Amanzi Reservoir and Pipeline	250,000
20060081	Coega Reclaimed Effluent Scheme	-
20060106	Motherwell North Bulk Sewerage	400,000
20110064	Ramaphosa West - Bulk Sewer	200,000
20060107	Motherwell/Coega WWTW and Outfall Sewer	-
19980397	Area Lighting	50,000
19980220	Traffic Calming Measures - Tutu/Buthelezi Streets	40,000
<b>Total Capital</b>		<b>3,606,670</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	620,640
	Refuse Co-ops	1,000,000
<b>Total Capital &amp; Operating</b>		<b>5,327,310</b>

**WARD 57 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 9, Greater Tjoksville (Steve Tshwete Village), N.U. 7, N.U. 8**

<b>Project ID</b>	<b>Project Description</b>	<b>2012/2013 Financial Year</b>
20010362	Development of Open Spaces	500,000
20100100	New Playground Equipment	400,000
20000106	Urban Refuse Transfer Recycling Stations	-
20050286	Tarring of Gravel Roads	-
20110054	Tynira / Endlovini - Sewerage	200,000
19980397	Area Lighting	50,000
19980220	Traffic Calming Measures	40,000
<b>Total Capital</b>		<b>1,190,000</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Litterpicking		620,640
<b>Total Capital &amp; Operating</b>		<b>1,910,640</b>

**WARD 58 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Umlambo N.U. 4, N.U. 4B, N.U. 5, N.U. 6, N.U. 8, N.U. 9**

Project ID	Project Description	2012/2013 Financial Year
20000106	Urban Refuse Transfer Recycling Stations	-
20070124	2010 Work Package: Modal Interchanges	3,565,865
20050286	Tarring of Gravel Roads	-
20080126	SMME Hive	10,000,000
19930329	Motherwell Electrification - Bulk Supply	60,000
19980397	Area Lighting - opposite NU4 Shopping Centre	50,000
<b>Total Capital</b>		<b>13,675,865</b>
<b>Projects on Operating Budget</b>		
	Ward Councillor's Discretionary Fund	100,000
	Litterpicking	695,117
	Refuse Co-ops	1,000,000
<b>Total Capital &amp; Operating</b>		<b>15,470,982</b>

**WARD 59 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 5, N.U. 6, N.U. 7**

Project ID	Project Description	2012/2013 Financial Year
20000106	Urban Refuse Transfer Recycling Stations	-
20050286	Tarring of Gravel Roads	-
19980397	Area Lighting	50,000
<b>Total Capital</b>		<b>50,000</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Litterpicking		769,594
Refuse Co-ops		1,000,000
<b>Total Capital &amp; Operating</b>		<b>1,919,594</b>



**WARD 60 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Redhouse, Markman Industrial, Joorst Park, St Georges Strand, Phase 3 Ext 5, Phase 3 Ext 3, Phase 3 Ext 1, Phase 3 Ext 4, Phase 3 Ext 2, Phase 2 Stage 1 and 2, Coega Construction Village, Phase 1, Blue Water Bay, Bluewater Beach, Brickfields, Redhouse Village, Perseverance Industrial, Deal Party, Coega, Blue Water Bay Beach, Motherwell, Bethelsdorp, Amsterdamhoek, Wells Estate, Ibhayi, New Brighton, Swartkops**

Project ID	Project Description	2012/2013 Financial Year
20010059	Reinstate of Embankment - Tiger Bay	600,000
20010064	Beachfront (improvement)	250,000
20030400	Upgrade Picnic/Camping Facilities Beachfront	800,000
20010362	Development of Open Spaces	-
20020028	Upgrade Entrances and Gateways	500,000
20100100	New Playground Equipment	-
20100088	Multi-purpose Reefs	-
20120045	Fencing of Cemeteries	-
20110089	Wells Estate Phase 3 - Ext 3,4 & 5 (Engineering Services)	16,603,642
20030795	Upgrade Beaches, Tourism - 2	500,000
19940233	Motherwell Canal Wetlands	-
19980319	Upgrade Main Road through Swartkops	-
20000106	Urban Refuse Transfer Recycling Stations	-
20080079	Bluewater Bay (Wells Estate): Stormwater Improvements	14,297,886
20050286	Tarring of Gravel Roads - Sinethema, Osama, Polska, Roefile, Romo, Frolick, Sonova and Ntakantaka Roads	2,000,000
20060081	Coega Reclaimed Effluent Scheme	-
20030034	Markman - Replace 600 mm Sewer	2,000,000
20070143	Rehabilitation of Kwazakhele Collector Sewer	7,000,000
19930106	Pump Stations - New Equipment	7,500,000
20060120	Studebaker Pump Station Upgrading	500,000
20050073	Aloes Sewage Pump Station Refurbishment and Upgrading	2,000,000
20070153	Brickfields: Upgrade	5,000,000
20060107	Motherwell/Coega WWTW and Outfall Sewer	-
20000175	Swartkops Reinforcement	1,261,000
19960193	Wells Estate Reinforcement	1,740,000
19960190	Redhouse Reinforcement	200,000
19980397	Area Lighting - Styotylweni Street	50,000
19930264	Informal Housing Electrification	3,382,853
20000125	New and Upgrade Surf Lifesaving Facilities	400,000
20050050	John Tallant Road (Grahamstown to Seyisi)	-
<b>Total Capital</b>		<b>66,585,381</b>
<b>Projects on Operating Budget</b>		
Ward Councillor's Discretionary Fund		100,000
Litterpicking		918,547
Operationalise MPCC		
Refuse Co-ops		1,000,000
<b>Total Capital &amp; Operating</b>		<b>68,603,928</b>

**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE  
(YEAR 0 – 2012/13)**

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee</b>	<b>Committee recommendations during Year 0</b>	<b>Recommendations adopted (enter Yes) If not adopted, provide explanation.</b>
09-11-2012	A copy of the Municipal Organisational Establishment must be submitted to the Chairperson to check whether or not it was legal.	Yes
09-11-2012	The Director: Internal Audit must arrange a meeting between herself, Legal Services and Corporate Services to sort out the problem with the Audit Committee members' contracts.	Yes
25-01-2013	The Director: Internal Audit must submit a written report to the next Audit Committee meeting on the misallocation of the tender irregularity (should be under Infrastructure and Engineering).	Yes
25-01-2013	The Chief Financial Officer must submit a report on the average number of days taken to pay service providers from the date EFT is generated.	Yes
25-01-2013	The Director: Internal Audit must submit a written report about the portion of work Internal Audit would not be doing due to budget cuts.	Yes
25-01-2013	The Executive Director: Safety and Security must submit a full report on the suspension of officials.	Yes
19-04-2013	The Acting Executive Director: Infrastructure and Engineering must submit a detailed report on the usage of the IPTS (BRT) buses.	Yes
T G		

## **APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS**

The Nelson Mandela Bay Municipality had no long-term contracts in place nor initiated any Public Private Partnerships during the review period.

**APPENDIX I – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE**

<b>MUNICIPAL ENTITY: MANDELA BAY DEVELOPMENT AGENCY KEY PERFORMANCE INDICATORS TAKEN FROM IDP</b>						
<b>KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT</b>	<b>KEY PERFORMANCE INDICATOR (Online Service Targets)</b>	<b>Year -1 TARGET</b>	<b>Year -1 ACTUAL</b>	<b>Year 0 TARGET</b>	<b>Year 0 ACTUAL</b>	<b>Year 1 TARGET</b>
<b>KPA: MANDELA BAY DEVELOPMENT AGENCY (MBDA) KPE: Cleansing services (Central Business Districts, Central and Uitenhage)</b>	Percentage satisfaction with cleansing services in Port Elizabeth and Uitenhage Central Business District	80% satisfaction level achieved	83.40%	80% satisfaction by June 2013	Target not met (internal survey conducted in third quarter)	80% satisfaction by June 2014
<b>KPA: MANDELA BAY DEVELOPMENT AGENCY (MBDA) KPE: Facilitating public capital projects</b>	Percentage satisfaction with security services in Port Elizabeth Central Business District	N / A	N / A	60% satisfaction by June 2013	Target not met (internal survey conducted in third quarter)	80% satisfaction by June 2014
	Percentage completion of inner city renewal capital development projects (a. King's Beach Southern Beachfront Redevelopment Phase 2)	100% completed	100% completed (phase 1 )	50%	83.93%	100% of Kings Beach Southern Beachfront Redevelopment (Phase 3) completed
	Percentage completion of inner city renewal capital development projects (b. Belmont Terrace and Bird Street Phase 2 Environmental Upgrade)	50% completed	0%	50%	60%	100% of Belmont Terrace and Bird Street (Phase 2) Environmental Upgrade completed

MUNICIPAL ENTITY: MANDELA BAY DEVELOPMENT AGENCY KEY PERFORMANCE INDICATORS TAKEN FROM IDP						
KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET
KPA: MANDELA BAY DEVELOPMENT AGENCY (MBDA) KPE: Facilitating public capital projects	Percentage completion of inner city renewal capital development projects (c. Red Location Singapi and Olaf Palmer St Upgrade)	N / A	N / A	50%	0%	100% of Red Location Singapi Road Upgrade (Phase 2) completed
	Percentage completion of inner city renewal capital development projects (d. Tramways Building Redevelopment)	N / A	N / A	75%	20%	50% of Tramways Building Redevelopment completed (exterior shell of building and sub- station completed)

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

As per Note 36.3 of the Annual Financial Statements:

Suppliers in which close family members of employees, Councillors or Mayor has an interest:

Name of Individual	Name of Company	Interest in Company
J Sigonyela	Umziwoxolo Construction CC	Spouse is a member of the CC
E Boezio	Nursing Wise CC	Spouse is a member of the CC
<b>Previously stated - As per 2011/12 Audited AFS</b>		
B Naran (Councillor)	Protea Enterprises	Spouse is a member of the CC
S Brophy	To Dine for Trading	Child is a member of the CC
N Fibi	Mguda Retail Business Enterprizes	Spouse is a member of the CC
B Minnaar	BF Gardens	Child is a member of the CC

- Mr E Boezio retired during the 2012 financial year.
- Although a related party relationship does exist as awards were made to suppliers in which close family members of employees have an interest, these transactions were in the ordinary course of business at market related rates. However this disclosure has been included as required by SCM regulation 45.
- Although a related party relationship does exist, contracts were awarded to certain Councillors and Officials in which they have an interest. These transactions were made in the ordinary course of business at market related rates. However this disclosure has been included as required by SCM regulation 44.

Revenue Collection Performance by Vote						
						R000
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Budget and Treasury	1,953,288,587	1,911,591,760	1,938,907,120	2,121,088,947	-209,497,187	-182,181,827
Vote 2 - Public Health	381,803,527	261,471,660	277,049,390	267,087,429	-5,615,769	9,961,961
Vote 3 - Human Settlements	345,271,456	421,369,220	444,859,840	355,865,614	65,503,606	88,994,226
Vote 4 - Economic Development and Recreational Services	91,188,807	133,554,550	154,744,380	137,618,193	-4,063,643	17,126,187
Vote 5 - Corporate Services	9,479,461	8,827,920	14,657,270	10,213,689	-1,385,769	4,443,581
Vote 6 - Rate and General Engineers	22,731,368	202,201,400	207,201,400	168,464,987	33,736,413	38,736,413
Vote 7 - Water Services	504,881,469	581,395,150	581,515,730	620,783,476	-39,388,326	-39,267,746
Vote 8 - Sanitation Services	395,303,538	474,317,150	464,991,540	503,878,130	-29,560,980	-38,886,590
Vote 9 - Electricity and Energy	2,873,343,318	3,120,937,190	3,107,999,730	2,963,064,729	157,872,461	144,935,001
Vote 10 - Executive and Council	1,632,937	657,800	1,432,220	1,609,574	-951,774	-177,354
Vote 11 - Safety and Security	45,138,259	53,796,210	55,608,210	43,141,598	10,654,612	12,466,612
Vote 12 - Nelson Mandela Bay Stadium	39,048,457	37,000,000	37,000,000	59,887,434	-22,887,434	-22,887,434
Vote 13 - Strategic Programmes Directorate	20,811,419	30,539,750	35,498,040	26,328,218	4,211,532	9,169,822
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	6,683,923	7,237,660	7,321,465	7,279,032	(41,372)	42,433
						T K.1

## APPENDIX K (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	929,516,869	1,074,628,370	1,074,628,370	1,109,432,768	3.14%	3.14%
Property rates - penalties and collection charges	0	0	0	0		
Service charges - electricity revenue	2,751,735,043	3,028,383,550	2,980,883,550	2,854,620,588	-6.09%	-4.42%
Service charges - water revenue	343,360,668	455,547,230	441,032,510	487,363,939	6.53%	9.51%
Service charges - sanitation revenue	258,182,442	312,033,170	304,673,800	324,547,214	3.86%	6.12%
Service charges - refuse revenue	137,552,593	155,074,650	156,639,460	157,526,636	1.56%	0.56%
Service charges - other	0	0	0	0		
Rentals of facilities and equipment	15,317,725	19,820,490	21,008,040	17,592,098	-12.67%	-19.42%
Interest earned - external investments	56,893,047	25,527,620	41,184,400	65,623,521	61.10%	37.24%
Interest earned - outstanding debtors	121,633,915	86,912,730	144,637,450	174,201,360	50.11%	16.97%
Dividends received	0	0	0	0		
Fines	25,655,126	32,328,130	33,809,780	23,084,949	-40.04%	-46.46%
Licences and permits	9,019,407	9,014,330	9,805,870	10,262,803	12.17%	4.45%
Agency services	1,396,728	1,400,000	1,400,000	1,908,520	26.64%	26.64%
Transfers recognised - operational	1,218,299,838	1,361,248,310	1,438,252,560	1,277,588,340	-6.55%	-12.58%
Other revenue	815,359,205	676,041,190	673,509,080	775,279,281	12.80%	13.13%
Gains on disposal of PPE	0	0	0	0		
Environmental Protection	0	0	0	0		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6,683,923</b>	<b>7,237,960</b>	<b>7,321,465</b>	<b>7,279,032</b>	<b>0.56%</b>	<b>-0.58%</b>
T K.2						



**APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**

Conditional Grants: excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below, if necessary)
				Budget	Adjustments Budget	
Local Government Equitable Share	729,226,000	729,226,000	729,226,000	-	-	This grant is used to subsidise the provision of basic services to indigent community members
Neighbourhood Development Partnership Grant	64,062,000	64,062,000	64,062,000	-	-	This grant is used for urban renewal of townships
National Informal Housing Electrification	15,000,000	15,000,000	15,000,000	-	-	This grant is used for informal housing electrification
Finance Management	1,250,000	1,250,000	1,250,000	-	-	This grant is used in the financial reform project under the guidance of NT
EPWP	14,696,000	14,696,000	14,696,000	-	-	This grant is used to implement Expanded Public Works Programme
LG/Seta	4,000,000	9,705,000	6,593,000	- 0.65	0.32	This grant is used for skills development of the employees
AFCON Grant		15,923,000	15,923,000		-	This grant is used for soccer tournament AFCON (Orange African Cup of Nations)
Infrastructure Development Grant	5,300,000	7,300,000	2,300,000	0.57	0.68	This grant is used for skills development
Public Transport Infrastructure and Systems Grant	298,702,000	538,702,000	298,702,000	-	0.45	This grant is used for upgrading of infrastructure support related to public transport
Disaster Relief Grant		6,730,000	6,730,000		-	This grant is used in the event of disaster

Conditional Grants: excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below, if necessary)
				Budget	Adjustments Budget	
Health Subsidy		10,320,000	63,337,596		- 5.14	This grant is used in the Health function
Housing	400,000,000	414,275,000	331,331,172	0.17	0.20	This grant is used for the construction of low-cost housing
Housing Accreditation		9,887,000	4,886,621		0.51	This grant is used for capacity building of employees in the NMBM's Human Settlement Directorate
Library	3,752,000	3,752,000	3,752,000	-	-	This grant is used to subsidise municipal libraries
Department of Education - Water Leaks		2,500,000	2,500,000		-	This grant is used to fix schools water leaks
<b><i>Other Specify:</i></b>						
<b>Total</b>	<b>1,535,988,000</b>	<b>1,901,990,000</b>	<b>1,618,951,389</b>	<b>- 0.05</b>	<b>0.15</b>	

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## ANNEXURE M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>704,389</b>	<b>316,780</b>	<b>776,690</b>	<b>694,148</b>	<b>375,514</b>	<b>501,839</b>	<b>612,752</b>
<b>Infrastructure: Road transport - Total</b>	<b>172,517</b>	<b>118,112</b>	<b>484,786</b>	<b>286,380</b>	<b>111,168</b>	<b>233,504</b>	<b>310,706</b>
Roads, Pavements & Bridges	163,345	118,112	483,741	286,380	111,168	233,504	310,706
Stormwater	9,172		1,045	-			
<b>Infrastructure: Electricity - Total</b>	<b>29,087</b>	<b>26,500</b>	<b>25,030</b>	<b>27,546</b>	<b>54,412</b>	<b>22,412</b>	<b>42,833</b>
Generation							
Transmission & Reticulation	25,737	20,000	18,000	20,726	47,912	17,912	36,333
Street Lighting	3,350	6,500	7,030	6,820	6,500	4,500	6,500
<b>Infrastructure: Water - Total</b>	<b>324,215</b>	<b>16,000</b>	<b>129,200</b>	<b>179,995</b>	<b>30,000</b>	<b>40,000</b>	<b>-</b>
Dams & Reservoirs							
Water purification	187						
Reticulation	324,028	16,000	129,200	179,995	30,000	40,000	

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Infrastructure: Sanitation - Total</b>	36,739	7,500	-	-	-	-	-
Reticulation	36,739	7,500					
Sewerage purification							
<b>Infrastructure: Other - Total</b>	141,831	148,668	137,674	200,227	179,934	205,923	259,213
Waste Management	22,989	2,500	2,500		5,700	6,700	7,200
Transportation							
Gas							
Other	118,842	146,168	135,174	200,227	174,234	199,223	252,013
<b>Community - Total</b>	<b>11,436</b>	<b>58,000</b>	<b>47,873</b>	<b>5,147</b>	<b>50,051</b>	<b>9,000</b>	<b>8,500</b>
Parks and gardens				3,035			
Sportsfields and stadia				489			
Swimming pools	300			-			
Community halls	4,088		40	35			
Libraries				-			
Recreational facilities		8,000	5,030	-	13,000	7,000	6,500
Fire, safety & emergency	2,246	3,000	3,000	-	2,000	2,000	2,000
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Cemeteries	2,604	1,000	1,023	-				
Social rental housing								
Other	2,198	46,000	38,780	1,588	35,051			

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b><u>Capital expenditure by Asset Class</u></b>							
<b><u>Heritage assets - Total</u></b>	-	-		-	-	-	-
Buildings							
Other							
<b><u>Investment properties - Total</u></b>	-	-		-	-	-	-
Housing development							
Other							
<b><u>Other assets</u></b>	<b>12</b>	<b>23,530</b>	<b>2,708</b>	<b>9,281</b>	<b>18,565</b>	<b>40,855</b>	<b>45,140</b>
General vehicles		230	480	497	205	375	200
Specialised vehicles		2,000		1,653	6,600	11,000	8,600
Plant and equipment	12	300	2,228	2,750	2,760	6,230	5,840
Computers - hardware/equipment				-	1,500	2,000	2,500
Furniture and other office equipment				222	2,500	2,000	
Abattoirs							
Markets							
Civic land and buildings							
Other buildings		1,000			5,000	19,250	25,000
Other land		20,000					3,000
Surplus assets (investment or inventory)							
Other				4,159			

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b><u>Agricultural assets</u></b>	-	-		-	-	-	-	
<i>List sub-class</i>								
<b><u>Biological assets</u></b>	-	-		-	-	-	-	
<i>List sub-class</i>								
<b><u>Intangibles</u></b>	11,449	12,200	12,100	18,320	6,370	6,870	7,360	
Computers - software and programming	11,449	12,200	12,100	18,320	6,370	6,870	7,360	
Other ( <i>list sub-class</i> )								
<b>Total Capital Expenditure on new assets</b>	<b>727,286</b>	<b>410,510</b>	<b>839,371</b>	<b>726,896</b>	<b>450,500</b>	<b>558,564</b>	<b>673,752</b>	
<b><u>Specialised vehicles</u></b>	-	2,000		-	6,600	11,000	8,600	
Refuse	-	2,000		-	6,600	11,000	8,600	
Fire								
Conservancy								
Ambulances								
T.M.1								

## APPENDIX M (II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>284,842</b>	<b>584,699</b>	<b>489,310</b>	<b>412,344</b>	<b>601,071</b>	<b>681,329</b>	<b>685,882</b>
Infrastructure: Road transport -Total	105,448	148,550	50,376	60,507	43,130	55,290	47,000
Roads, Pavements and Bridges	98,752	101,600	3,423	22,666	22,080	28,240	24,000
Stormwater	6,696	46,950	46,953	37,841	21,050	27,050	23,000
<b>Infrastructure: Electricity - Total</b>	<b>62,401</b>	<b>94,647</b>	<b>98,647</b>	<b>95,013</b>	<b>153,645</b>	<b>154,939</b>	<b>138,532</b>
Generation	-						
Transmission and Reticulation	62,401	94,647	98,647	95,013	153,645	154,939	138,532
Street Lighting	-						
<b>Infrastructure: Water - Total</b>	<b>50,529</b>	<b>116,402</b>	<b>127,402</b>	<b>83,810</b>	<b>152,946</b>	<b>163,150</b>	<b>174,150</b>
Dams and Reservoirs	5,387	34,602	50,722	2,122	10,400	24,400	27,400
Water purification	6,155	33,800	31,800	14,002	33,300	29,300	27,500
Reticulation	38,987	48,000	44,880	67,686	109,246	109,450	119,250
<b>Infrastructure: Sanitation - Total</b>	<b>66,464</b>	<b>225,100</b>	<b>203,600</b>	<b>168,770</b>	<b>245,000</b>	<b>299,450</b>	<b>321,700</b>



Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Reticulation	34,877	179,074	108,674	106,143	124,000	176,950	176,650
Sewage purification	31,587	46,026	94,926	62,627	121,000	122,500	145,050
<b>Infrastructure: Other - Total</b>	-	-	9,285	4,244	6,350	8,500	4,500
Waste Management	-			1,789			
Transportation	-						
Gas	-						
Other	-		9,285	2,455	6,350	8,500	4,500
<b>Community</b>	<b>28,512</b>	<b>11,300</b>	<b>41,429</b>	<b>13,666</b>	<b>26,660</b>	<b>36,188</b>	<b>32,928</b>
Parks and gardens	-						
Sportsfields and stadia	13,543	4,800	10,293	4,579	6,000	9,000	13,500
Swimming pools	-						
Community halls	2,751		1,638	1,515	1,000	1,000	1,000
Libraries	-						
Recreational facilities	9,138	6,500	8,436	6,549	8,000	10,500	2,500
Fire, safety and emergency	-				2,077	2,530	2,770
Security and policing	-						

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Buses	-						
Clinics	3,080						
Museums and Art Galleries				1,023			
Cemeteries							
Social rental housing							
Other			21,062		9,583	13,158	13,158
<b>Heritage assets</b>	-	-	-	-	-	-	-
Buildings							
Other							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b><u>Investment properties</u></b>	-	-	-	-	-	-	-
Housing development							
Other							
<b><u>Other assets</u></b>	<b>40,445</b>	<b>23,450</b>	<b>38,293</b>	<b>34,028</b>	<b>45,052</b>	<b>24,243</b>	<b>24,150</b>
General vehicles		6,000	6,000	5,614	6,175	10,175	10,173
Specialised vehicles			11,100	-	477		
Plant and equipment	741	2,250	3,127	1,104	3,000	2,668	2,500
Computers - hardware/equipment	6,321	2,000	2,000		10,000	5,000	6,000
Furniture and other office equipment							
Abattoirs							
Markets							
Civic land and buildings							
Other buildings	33,383	12,700	16,066	21,937	25,400	6,400	5,477
Other land							
Surplus assets - Investment or Inventory							
Other		500		5,373			
<b><u>Agricultural assets</u></b>	-	-	-	-	-	-	-

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Biological assets</b>	-	-		-	-	-	-
<b>Intangibles</b>	15,906	9,500	5,572	7,784	12,000	13,100	14,760
Computers - software and programming	15,906	9,500	5,572	7,784	12,000	13,100	14,760
Other							
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>369,705</b>	<b>628,949</b>	<b>574,604</b>	<b>467,822</b>	<b>684,783</b>	<b>754,860</b>	<b>757,720</b>
<b>Specialised vehicles</b>	-	-	11,100	-	477,000	-	-
Refuse			11,100				
Fire					477,000		
Conservancy							
Ambulances							

T.M.2

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT: YEAR 0 (2012/13)

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	R000 Variance (Act - OB) %
<b>Water</b>					
Nooitgedagt/Coega Low Level System	-	129,200	179,995	28.22%	100.00%
Pipe Rehabilitation and Improvements to System - General	10,000	18,500	31,440	41.16%	68.19%
Purchase of Water Meters - Metro	10,000	9,000	20,363	55.80%	50.89%
Upgrading of Groendal Water Treatment Works	11,000	11,000	12,236	10.10%	10.10%
Installation of Zone Water Meters	5,000	2,500	4,216	40.70%	-18.60%
Purchasing New Vehicles	2,000	2,000	2,609	23.34%	23.34%
Metro Water: Master Plan Replacement of Pipes	2,000	2,000	1,988	-0.60%	-0.60%
Water Services Augmentation Backlog: Pipelines	8,000	5,500	1,708	-222.01%	-368.38%
Reservoir Fencing	200	200	1,541	87.02%	87.02%
Access Roads: Upgrade	1,500	1,500	1,464	-2.46%	-2.46%
Groundwater Investigation	2,000	1,985	1,301	-52.57%	-53.73%
Water Service Maintenance Backlog: Pump Stations	5,000	5,000	1,131	-342.09%	-342.09%
Van Stadens Village Water Supply Upgrade	1,000	1,000	1,007	0.70%	0.70%
Loerie Treatment Works: Rehabilitation	9,000	9,000	995	-804.52%	-804.52%
Regionalisation: New Water Depot	1,000	1,000	23	-4247.83%	-4247.83%
Rudimentary Service: Water	500	1,000	871	-14.81%	42.59%
Upgrading of Churchill Water Treatment Works	13,000	11,000	771	-1326.72%	-1586.12%
Rehabilitation of Pipe Bridges	2,000	2,000	721	-177.39%	-177.39%
Elandsjagt - Upgrade to Restore Capacity	22,452	18,452	700	-2536.00%	-3107.43%
Bulk Water Metering and Control	2,000	2,000	281	-611.74%	-611.74%
Groendal Dam: Rock Stabilisation and Improved Outlet	2,000	2,000	273	-632.60%	-632.60%

Capital Programme by Project: Year 0					
	R000				
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water Service Maintenance Backlog: Dams	1,500	1,500	232	-546.55%	-546.55%
Replacement of KwaNobuhle Reservoir	1,000	1,000	215	-365.12%	-365.12%
Telemetry System: Upgrade	250	250	152	-64.47%	-64.47%
Rehabilitation of Reservoirs	250	250	134	-86.57%	-86.57%
Desalination Augmentation	2,000	2,000	34	-5782.35%	-5782.35%
Coega Reclaimed Effluent Scheme	-	15	13	-15.38%	100.00%
Moffat Dam: Rehabilitation	200	200	-	-	-
Upgrading of Springs Water Treatment Works	500	500	-	-	-
Linton: Additional Treatment Facility	300	300	-	-	-
Seaview Pump Station: Upgrade	4,000	2,000	-	-	-
Augment Older Dam Pipelines	2,000	2,000	-	-	-
Kwanobuhle Reservoir Link Watermain	250	250	-	-	-
Walmer Area G - West: New Water Pipeline	250	250	-	-	-
Walmer Area Q - Phase 3: New Water Pipeline	250	250	-	-	-
Seaview Bulk Water	1,000	1,000	-	-	-
St Albans Bulk Water	250	250	-	-	-
Balmoral Reservoir and Bulk Pipeline	500	500	-	-	-
Schoenmakerskop Reservoir	100	100	-	-	-
Construction of Amanzi Reservoir and Pipeline	500	500	-	-	-
Van Der Kemp's Reservoir and Approach Main	500	500	-	-	-
Uitenhage	5,000	5,000	-	-	-
Cathodic Protection of Steel Pipelines	150	150	-	-	-
Refurbishment of Cast Iron Fittings	300	300	-	-	-
Rehabilitation of Valves and Fire Hydrants	500	500	-	-	-
Helenvale Urban Renewal Programme	1,000	1,000	-	-	-
Jagtvlakte: Bulk Water Supply Pipelines	200	200	-	-	-

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	R000 Variance (Act - OB) %
Govan Mbeki Midlock Mains	1,000	1,000	-	-	-
Upgrading of Water Reticulation: KwaNobuhle	1,000	1,000	-	-	
Sanitation/Sewerage					
Fishwater Flats WWTW Upgrade	70,000	50,500	28,491	-77.25%	-145.69%
Improvements to Sewerage System	15,000	15,300	26,192	41.59%	42.73%
Driftsands WWTW Phase 3 extension	18,000	16,000	20,111	20.44%	10.50%
Missionvale Bulk Sewerage Reticulation	6,000	14,800	16,615	10.92%	63.89%
Rehabilitation of Kwazakhele Collector Sewer	7,000	17,500	16,181	-8.15%	56.74%
Improve Access Roads			15,803	100.00%	100.00%
Sewer Replacement and Relining	10,000	8,800	7,086	-24.19%	-41.12%
Brickfields: Upgrade	5,000	5,000	5,931	15.70%	15.70%
WWTW: Building Repairs and Concrete Rehabilitation	2,000	4,800	4,772	-0.59%	58.09%
Kelvin Jones WWTW: Upgrade	38,126	16,256	4,741	-242.88%	-704.18%
Telemetry - Pump Stations	1,000	3,400	3,121	-8.94%	67.96%
Sewerage Pump Station: Maintenance Backlog	8,000	16,500	3,116	-429.53%	-156.74%
Driftsands Collector Sewer - Augmentation	500	2,650	2,831	6.39%	82.34%
Cape Receife WWTW : Upgrade	200	370	2,262	83.64%	91.16%
Regionalisation : Sanitation	1,500	1,500	1,377	-8.93%	-8.93%
KwaNobuhle WWTW : Upgrading	4,500	1,500	1,251	-19.90%	-259.71%
Swartkops Low Level Collector Sewer Upgrade			1,131	100.00%	100.00%
Rocklands PHB Housing Project: Wastewater Treatment Works	100	-	1,000	100.00%	90.00%
Sewers: Maintenance Backlog Pipe Replacement			803	100.00%	100.00%
Witteklip Bulk Sewerage	2,000	2,000	798	-150.63%	-150.63%
Jagtvlakte Bulk Sewerage	500	500	790	36.71%	36.71%
Upgrade and Rehabilitation of Korsten Dry Lake Area	-	1,200	729	-64.61%	100.00%

Capital Programme by Project: Year 0					
	R000				
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Paapenkuis Main Sewer Augmentation	1,000	1,000	663	-50.83%	-50.83%
KwaNobuhle Area 11 - Link sewer	200	200	646	69.04%	69.04%
Industrial Site (Airport Valley) - Bulk Sewer	200	700	620	-12.90%	67.74%
Pump Stations - New Equipment	7,500	1,500	415	-261.45%	-1707.23%
Motherwell Main Sewer Upgrade			390	100.00%	100.00%
Rudimentary Services: Sanitation	1,000	1,000	361	-177.01%	-177.01%
Markman - Replace 600 mm Sewer	2,000	2,000	344	-481.40%	-481.40%
Augment Collector Sewer for Walmer Heights and Mt Pleasant	250	250	330	24.24%	24.24%
TEI: Sampling Station	400	400	210	-90.48%	-90.48%
Lorraine - Bulk Sewerage Augmentation	100	100	152	34.21%	34.21%
Upgrade Despatch Reclamation Works	100	2,100	127	-1553.54%	21.26%
Baakens Collector Augmentation-Circular Drive to Woodlands	-	9	93	90.65%	100.00%
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	13,024	1,202	91	-1221.21%	-14212.09%
Sewerage Master Plan System Updating	450	450	45	-900.00%	-900.00%
Bulk Sewers, KwaNobuhle informal areas (XX16S)	-	13	-35	137.14%	100.00%
Sewer Protection Works for Collector Sewers	1,000	500	-85	688.24%	1276.47%
Bucket Eradication Programme	500	500	-	-	-
Sewers: Maintenance Backlog	5,000	5,000	-	-	-
Colchester - Sewer Reticulation	100	-	-	-	-
Balmoral Collector Sewer	100	100	-	-	-
Florida Collector	100	100	-	-	-
Reclaimed Wastewater	200	200	-	-	-
Kwanobuhle: Upgrading of Sewer Reticulation	1,000	-	-	-	-
Motherwell North Bulk Sewerage	1,000	800	-	-	-
WWTW: SCADA/Telemetry Links	200	200	-	-	-



Capital Programme by Project: Year 0					
	R000				
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
WWTW - Sludge Treatment and Disposal Facilities	100	100	-	-	-
WWTW: Improve Access Roads	2,000	5,000	-	-	
Aloe Sewerage Pump Station Refurbishment and Upgrading	2,000	-	-	-	-
Studebaker Pump Station Upgrading	500	-	-	-	-
Replacement of Sewerage Collection Vehicles and Equipment	2,000	2,000	-	-	-
Sewers GIS	50	50	-	-	-
Colchester Bulk Sewerage	500	150	-	-	-
Uitenhage Allanridge West - Bulk Sewer	200	-	-	-	-
Tynira/Endlovini - Sewerage	200	400	-	-	-
Raymond Mhlaba - Bulk Sewer	200	1,600	-	-	-
Nkatha/ Seyis - Bulk Sewer	200	-	-	-	-
Mavuso (Day Hospital Site - Roholihlahla) - Bulk Sewer	200	-	-	-	-
Mandela Village (KwaZakhele) Bulk Sewer	200	-	-	-	-
Kwanotshinga/Meka -Bulk Sewer	200	-	-	-	-
Kalipa - Bulk Sewer	200	-	-	-	-
Hlalani (Qeqe) - Bulk Sewer	200	-	-	-	-
Ekuphumlenni - Bulk Sewer	200	-	-	-	-
Ramaphosa West - Bulk Sewer	200	-	-	-	-
Mandelaville - Bulk Sewer	200	-	-	-	-
Joe Slovo - Uitenhage - Bulk Sewer	200	600	-	-	-
Electricity					
Electrification of State Subsidised and Informal Houses	20,000	18,000	20,726	13.15%	3.50%
Miscellaneous Mains and Substations	12,500	18,500	14,256	-29.77%	12.32%
HV Network Reinforcement - New Substations	7,000	7,000	8,599	18.60%	18.60%

Capital Programme by Project: Year 0					
					R000
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
HV Network Reinforcement - Overhead Cabling	6,000	6,000	5,746	-4.42%	-4.42%
Private Township Development	7,500	5,000	5,000	0.00%	-50.00%
Coega Reinforcement	5,000	5,000	4,756	-5.13%	-5.13%
Relocation of Existing Electrical Service Connections	-	2,000	4,207	52.46%	100.00%
Electricity Buildings - Additional Furniture and Fittings	-	1,500	4,159	63.93%	100.00%
Energy Efficiency and Demand	-	-	4,135	100.00%	100.00%
Uitenhage Reinforcement	4,074	4,074	3,941	-3.37%	-3.37%
Overhead Lines Refurbishment	4,500	4,500	3,764	-19.55%	-19.55%
HV Line Refurbishment (66 & 132kV)	3,600	3,600	3,622	0.61%	0.61%
Replacement of MV Switchgear	3,000	3,000	3,316	9.53%	9.53%
Western Reinforcement	4,761	4,761	3,198	-48.87%	-48.87%
Lighting - New Main Road	3,500	3,500	3,169	-10.44%	-10.44%
Meters and Current Transformers	3,000	3,000	2,718	-10.38%	-10.38%
Area Lighting	2,000	2,530	2,613	3.18%	23.46%
Relay Replacement	1,000	1,000	2,544	60.69%	60.69%
Malabar/Helenvale Reinforcement	2,150	2,150	2,543	15.45%	15.45%
Computer Systems Upgrade	2,500	1,000	2,472	59.55%	-1.13%
Non-electrification Areas - Service Connections	1,500	1,500	2,359	36.41%	36.41%
Despatch Reinforcement	1,519	1,519	2,322	34.58%	34.58%
Ibhayi Reinforcement	580	580	2,021	71.30%	71.30%
MV and HV Switchgear replacement	1,500	1,500	1,964	23.63%	23.63%
Substation Fibre Optic Backbone	2,000	2,000	1,921	-4.11%	-4.11%
Fairview Refurbishment	1,500	1,500	1,394	-7.60%	-7.60%
Gas Turbine Refurbishment	1,500	1,500	1,366	-9.81%	-9.81%
Summerstrand Reinforcement	1,302	1,302	1,344	3.13%	3.13%
Supervisory Control System Upgrading	1,000	1,000	1,300	23.08%	23.08%

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	R000
					Variance (Act - OB) %
Peri-Urban Network	1,500	1,500	1,162	-29.09%	-29.09%
Walmer Lorraine Reinforcement	2,300	2,300	1,085	-111.98%	-111.98%
Street Lighting - Residential Areas	1,000	1,000	1,038	3.66%	3.66%
New/Replacement of Plant and Motor Vehicles	500	500	993	49.65%	49.65%
Distribution Kiosk Replacement	800	800	798	-0.25%	-0.25%
Mount Road Reinforcement	620	620	582	-6.53%	-6.53%
Newton Park Reinforcement	1,500	1,500	564	-165.96%	-165.96%
Wells Estate Reinforcement	1,740	1,740	508	-242.52%	-242.52%
Low Voltage Reticulation Improvement	700	700	485	-44.33%	-44.33%
Uitenhage/Despatch SCADA	250	250	439	43.05%	43.05%
Korsten Reinforcement	1,550	1,550	314	-393.63%	-393.63%
Substation Security Alarm Upgrade	200	200	186	-7.53%	-7.53%
Replace Switchgear in Mini-substations - KwaNobuhle	150	150	147	-2.04%	-2.04%
Hunters Reinforcement	1,080	1,080	98	-1002.04%	-1002.04%
Bethelsdorp 11 kV Reinforcement	110	110	93	-18.28%	-18.28%
Supervisory Additional Substation	100	100	77	-29.87%	-29.87%
Motherwell Electrification - Bulk Supply	60	60	63	4.76%	4.76%
Redhouse Reinforcement	200	200	49	-308.16%	-308.16%
HV Network Reinforcement - Underground Cabling	1,000	1,000	12	-8233.33%	-8233.33%
Radio and Test Equipment	20	20	9	-122.22%	-122.22%
Control Room Upgrade	20	20	3	-566.67%	-566.67%
Swartkops Reinforcement	1,261	1,261		0.00%	0.00%
Cable Replacement 6.6kV	-	-	3	100.00%	100.00%
<b>Housing</b>					
Khayamandi Extension	46,908	5,583	27,653	79.81%	-69.63%
Motherwell NU 29 - Phase 2, Stage 2 - 890 sites	-	14,700	21,978	33.11%	100.00%

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	R000
					Variance (Act - OB) %
Joe Slovo – Uitenhage, Phase 1	7,874	10,874	16,438	33.85%	52.10%
Missionvale Garden Lots	30,441	27,441	14,902	-84.14%	-104.27%
Wells Estate, Phase 3 - Ext 4 and 5	16,604	16,604	14,207	-16.87%	-16.87%
Rosedale	6,473	6,473	8,110	20.18%	20.18%
Water and Sewer Connections - Various	-	5,200	6,016	13.56%	100.00%
Walmer Q, Phase 3	-	1,800	5,006	64.04%	100.00%
Walmer Development	-	1,000	4,130	75.79%	100.00%
Motherwell NU 29 - Phase 2, stage 1	20,703	15,903	3,228	-392.66%	-541.36%
Kwanontshinga	-	1,450	2,346	38.19%	100.00%
Joe Modise Peace Village 432 sites - Services			2,300	100.00%	100.00%
Kleinskool Area K - Services	-	1,864	2,204	15.43%	100.00%
Lilian Diedericks (Brister House) Office Renovation	-	3,000	2,167	-38.44%	100.00%
Joe Modise Peace Village, Phase 2			2,115	100.00%	100.00%
Motherwell Higher Density	-	1,000	1,728	42.13%	100.00%
Motherwell NU30	15,018	15,018	1,687	-790.22%	-790.22%
Walmer Areas O – 437 sites - Services			1,685	100.00%	100.00%
Motherwell NU 12	-	500	1,334	62.52%	100.00%
Jachtlakte	-	1,100	1,249	11.93%	100.00%
Mandela and Rolihlala Village	-	1,295	1,192	-8.64%	100.00%
Roos Str, P1- P3	-	1,000	711	-40.65%	100.00%
Hunters Retreat - Grogro			689	100.00%	100.00%
Red Location - New Brighton	-	6	602	99.00%	100.00%
Malabar, Ext 6, Phase 2	-	500	579	13.64%	100.00%
Sisulu Village	-	210	513	59.06%	100.00%
Masakhane Village	-	300	510	41.18%	100.00%
Kuyga	-	300	167	-79.64%	100.00%

Capital Programme by Project: Year 0					
	R000				
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
KwaNobuhle Area 11	-	300	159	-88.68%	100.00%
KwaZakhele: Ekhumphuleni	-	100	104	3.85%	100.00%
Seaview Housing Project			71	100.00%	100.00%
Land Acquisition	20,000	500	58	-762.07%	-34382.76%
KwaZakhele Infills (various erven in Ibhayi)			23	100.00%	100.00%
Land Release: Township Developments - Reticulation Services			- 2,357	100.00%	100.00%
Services for Motherwell NU29	-	2,000	-	0.00%	0.00%
Nkatha Seyidi - Enkuthazweni	1,847	1,847	-	0.00%	0.00%
<b>Roads</b>					
Tarring of Gravel Roads	80,000	122,440	100,826	-21.44%	20.66%
Provision of Sidewalks and Cycle Tracks	5,000	8,411	8,337	-0.88%	40.03%
Njoli Square Redevelopment	28,062	7,000	6,940	-0.86%	-304.35%
Miscellaneous - Roads and Stormwater	-	1,045	3,430	69.53%	100.00%
Traffic Calming Measures	1,000	2,664	3,268	18.50%	69.40%
Replacement Vehicles Fleet	2,000	2,000	3,004	33.42%	33.42%
Laboratory Equipment - Scientific Services	-	1,000	2,391	58.18%	100.00%
Upgrading Depots and Offices	-	-	1,955	100.00%	100.00%
Access Road to Chatty Developments	-	1,823	1,823	-0.02%	100.00%
New Traffic Signals	-	789	980	19.48%	100.00%
H45 Redhouse - Chelsea Arterial: Walker Drive to N2	4,000	2,050	964	-112.61%	-314.94%
Groundwater Problem Elimination Northern Areas	500	500	750	33.33%	33.33%
Rehabilitate Tar Roads - Kleinskool	-	281	281	0.04%	100.00%
Computer Upgrade – Infrastructure and Engineering	-	-	115	100.00%	100.00%
Addo Road	-	-	101	100.00%	100.00%

Capital Programme by Project: Year 0					
					R000
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Private Development Reimbursements - Roads & Stormwater	-	57	57	0.18%	100.00%
TM24 Guidance Signs	-	-	38	100.00%	100.00%
Public Transport Facilities	-	-	-	100.00%	100.00%
Realignment of Kragga Kamma Road	-	-	-	100.00%	100.00%
Construction of Laboratory	1,000	-	-	0.00%	0.00%
Remedial Works: Pell Street Interchange	500	-	-	0.00%	0.00%
Facilities for the Disabled	50	50	-	0.00%	0.00%
Rehabilitation of Infrastructure Salt Pans	100	9-Apr-00	-	0.00%	0.00%
Glen Hurd Drive Upgrading	500	0-Jan-00	-	0.00%	0.00%
<b>Transport Services</b>					
IPTS - Work Package: Bus Rapid Transit	30,000	97,860	115,546	15.31%	74.04%
IPTS - Theescombe/Gqebera Bulk Stormwater	24,000	30,000	31,853	5.82%	24.65%
IPTS - Work Package: Public Transport Facilities	-	67,520	28,538	-136.60%	100.00%
IPTS - Work Package: TDM and ITS	-	35,000			
IPTS - Work Package: Public Transport Planning	25,000	55,000			
IPTS - Work Package: Roads & Public Transportation System			5,824	100.00%	100.00%
IPTS - ICT Connectivity	-	2,500	1,711	-46.11%	100.00%
IPTS - Work Package: Modal Interchanges	10,000	28,120	1,379	-1939.16%	-625.16%
IPTS - H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	1,000	2,000	814	-145.70%	-22.85%
IPTS - Work Package: Sidewalks and Cycle Tracks	-	-	49	100.00%	100.00%
IPTS - Work Package Pedestrian Bridges	10,000	22,000	161	13764.60%	6311.18%
<b>Stormwater</b>					
Missionvale: Stormwater Improvements	17,000	15,500	10,191	-52.09%	-66.81%
Bluewater Bay: Stormwater Improvements	-	-	7,001	100.00%	100.00%

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	R000
					Variance (Act - OB) %
Stormwater Improvements	2,000	5,955	5,916	-0.65%	66.20%
Stormwater Improvements Ikamvelihle	2,000	2,000	4,129	51.56%	51.56%
Stormwater Drainage System: Phase 2, Mondile Str.: KwaNobuhle	3,500	3,500	3,268	-7.09%	-7.09%
New Brighton/Kwazakhele: Bulk Stormwater	2,000	2,000	1,978	-1.10%	-1.10%
Zwide Bulk Stormwater	2,000	1,250	1,208	-3.47%	-65.56%
Flood Risk and Improvements (Swartkops & Chatty)	250	250	520	51.92%	51.92%
Flood Risk Improvements: Chatty River	200	200	200	-0.22%	-0.22%
Installation of services in Motherwell NU29, Phase 2			0	100.00%	100.00%
Blue Horizon Bay Bulk Stormwater	2,000	2,000	-		
Wells Estate: Stormwater Improvement	16,000	14,298			
<b>Waste Management Services</b>					
Waste Management Containers	-	577	-		
IWMP Project	-	6	-		
Urban Refuse Transfer/Recycling Station	2,500	2,500	1,907	-31.10%	-31.10%
Replacement of Refuse Compactors	2,000	11,100	1,653	-571.51%	-20.99%
Development of Waste Disposal Facilities	-	-	118	100.00%	100.00%
<b>Planning Services</b>					
Upgrading Helenvale Resources Centre - Multipurpose Centre	24,000	23,934	23,124	-3.50%	-3.79%
Fountain Road Redevelopment	-	28,572	18,118	-57.70%	100.00%
Nodal and Precinct Development (Helenvale)	12,000	12,000	16,599	27.71%	27.71%
Restoration of Despatch Brickfields Chimney	-	3,334	2,399	-38.96%	100.00%
Pedestrian Walkways - HURP	-	66	55	-20.68%	100.00%
Motherwell Thusong Service Centre	-	1,830	826	-121.48%	100.00%
SMME Hive	10,000	900	761	-18.23%	-1213.62%

Capital Programme by Project: Year 0					
					R000
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Rehabilitation of Market Building Infrastructure	-	285	253	-12.72%	100.00%
Nelson Mandela Metropolitan Peace Park	-	50	-		
Mendi Bottle Store Renovation	3,000	3,000	-		
<b>Sports, Arts &amp; Culture</b>					
Upgrade Wolfson Stadium Phase 3	2,000	490	2,412	79.68%	17.08%
Maintain/Rehabilitate Sports Facility Infrastructure - PE	2,000	1,400	2,095	33.17%	4.53%
Upgrade Beaches, Tourism - 2	1,000	1,000	937	-6.72%	-6.72%
New and Upgrade Surf Lifesaving Facilities	800	800	892	10.31%	10.31%
Upgrade Picnic/Camping Facilities Beachfront	800	800	755	-5.96%	-5.96%
New Swimming Pool - Zwide	-	-	489	100.00%	100.00%
Multi-Purpose Recreational Facilities	-	209	125	-67.20%	100.00%
Upgrading of existing sports facilities	-	93	71	-30.99%	100.00%
Secure Recreational Buildings / Facilities	800	93	19	-389.47%	-4110.53%
NU 2 Stadium, Motherwell			-		
<b>Financial Services (Budget and Treasury)</b>					
Upgrading of Mfanasekhaya Gqobose Building: Customer Care Centre	-	1,300	3,310	60.73%	100.00%
Financial Asset Management Integration: Computer Hardware	-	728	728	0.00%	100.00%
1/2 ton Panelvan for Vending	230	230	210	-9.52%	-9.52%
Replacement of Revenue Sub-Directorate's Computer Equipment	500	500	172	-190.70%	-190.70%
Replacement of Vending POS Equipment	500	500	111	-350.45%	-350.45%
Financial Accounting Control and Systems Development	5,500	72	-		
Replacement of Handheld Devices - Meter Reading	750	750	-		
<b>Executive and Council</b>					
Integrated Land Information System (ILIS)	11,200	12,100	9,988	-21.15%	-12.13%



Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	R000
					Variance (Act - OB) %
Lillian Diedericks Building - Upgrading and Rehabilitation	4,200	5,700	4,782	-19.20%	12.17%
Building Electrical COC	3,000	3,000	3,023	0.77%	0.77%
Mfanasekhaya Gqobose Building - Upgrade and Rehabilitation	1,500	1,500	1,641	8.60%	8.60%
Despatch Town Hall – Roof Replacement	1,000	618	618	0.00%	-61.86%
PE City Hall - Upgrade	-	700	492	-42.27%	100.00%
Uitenhage Town Hall – Roof Replacement	1,500	402	302	-33.06%	-395.93%
Upgrade of Municipal Depots	1,000	51	44	-15.60%	-2151.64%
Secure Municipal Parks Facilities	300	2,300	2,544	9.58%	88.21%
Upgrading of Uitenhage Dog Pound	500	494	489	-1.13%	-2.29%
Public Health Specialized Equipment	300	300	374	19.83%	19.83%
Gateways	500	500	319	-56.65%	-56.65%
Improvements to Public Health Infrastructure	300	300	175	-71.46%	-71.46%
<b>Safety and Security</b>					
Early Warning System	3,000	2,771	2,503	-10.73%	-19.87%
Building Extensions: Traffic College Greenbushes	-	-	183	100.00%	100.00%
Disaster Management Centre	-	229	114	-100.61%	100.00%
Security Systems at Offices	-	-	19	100.00%	100.00%
<b>Property; Legal; Risk Management and Procurement Services</b>					
Institutional Contract Management and Supply Chain System	0-Jan-00	0-Jan-00	8,332	100.00%	100.00%
<b>ICT and Other</b>					
Application Software	4,000	5,500	5,312	-3.54%	24.70%
Computer Enhancements - Corporate	2,000	2,000	1,481	-35.04%	-35.04%

Capital Programme by Project: Year 0					
					R000
Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Clinics</b>					
Occupational Health and Wellness Centre at Walmer	-	-	222	100.00%	100.00%
Occupational Health Services - Medical Equipment	500	500	184	-171.72%	-171.72%
<b>Bio-Diversity; Landscape and Other</b>					
Upgrade and Development of Public Open Spaces	2,500	2,500	3,035	17.63%	17.63%
Beachfront	1,500	1,680	1,583	-6.12%	5.25%
Upgrade Pearson Conservatory	-	-	22	100.00%	100.00%
Re-instatement of Embankment - Tygerbay/Coastal Revetments	600	600	1,534	60.89%	60.89%
Implementation - Van Der Kemp's Kloof	1,500	250	235	-6.45%	-538.70%
New Playground Equipment	2,500	-	-		
Brooks Hill Promenade Rehabilitation	-	5,000	492	-916.18%	100.00%
<b>Pollution Control</b>					
Vehicles for Noise Control	-	250	287	12.89%	100.00%
<b>Cemeteries and Crematoriums</b>					
Cemeteries	1,000	1,023	1,023	0.00%	2.25%
Cemeteries Computerisation	1,000	-	-		
<b>Libraries; Archives; Museums; Galleries; Community Facilities; Other</b>					
Upgrade of Halls	-	500	1,107	54.84%	100.00%
New Community Halls	-	40	35	-14.00%	100.00%
Upgrade of NU2 Community Hall	-	438	408	-7.43%	100.00%
<b>TOTAL ALL</b>	<b>1,039,459</b>	<b>1,413,975</b>	<b>1,194,716</b>	<b>-18.35%</b>	<b>13.00%</b>
T N					

**APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD: YEAR 0  
(2012/13)**

<b>Capital Programme by Project by Ward: Year 0</b>			<b>R000</b>
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>	
<b>Water</b>			
Metro Water: Master Plan	Support - Metrowide	Ongoing project	
Telemetry Systems: Upgrade	Support - Metrowide	Ongoing project	
Groundwater Investigation	Support - Metrowide	Multi-year project	
Rehabilitation of Pipe Bridges	Support - Metrowide	75% completed	
Regionalisation: Water	Support - Metrowide	5% completed	
Access Roads: Upgrade	Support - Metrowide	Multi-year project	
Water Service Maintenance Backlog: Dams	Support - Metrowide	Multi-year project	
Elandsjagt - Upgrade to Restore Capacity	Support - Metrowide	50% completed	
Loerie Treatment Works: Rehabilitation	Support - Metrowide	78% completed	
Upgrading of Churchill Water Treatment Works	Support - Metrowide	20% completed	
Desalination Augmentation	Support - Metrowide	Preliminary design stage	
Water Services Maintenance Backlogs: Pump Stations	Support - Metrowide	Multi-year project	
Water Services Maintenance Backlog: Pipelines	Support - Metrowide	Multi-year project	
Augment Older Dams Pipelines	Support - Metrowide	Preliminary design stage	
Bulk Water Metering and Control	Support - Metrowide	Ongoing project	
Reservoir Fencing	Support - Metrowide	Ongoing project	
Rehabilitation of Reservoirs	Support - Metrowide	Multi-year project	
Improvements to System - General	Support - Metrowide	Ongoing project	
Cathodic Protection of Steel Pipelines	Support - Metrowide	Preliminary design stage	
Installation of Zone Water Meters	Support - Metrowide	Ongoing project	
Purchase of Water Meters - Metro	Support - Metrowide	Ongoing project	
Refurbishment of Cast Iron Fittings	Support - Metrowide	Ongoing project	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Rehabilitation of Valves and Fire Hydrants	Support - Metrowide	Ongoing project	
Rudimentary Service: Water	Support - Metrowide	Ongoing project	
Nooitgedagt/Coega Low Level System	Support - Metrowide	50% completed	
Purchase New Vehicles	Support - Metrowide	Ongoing project	
Van Stadens Village Upgrade	Ward 40		
Moffet Dam: Rehabilitation	Ward 40	Multi year project	
Coega Reclaimed Effluent Scheme	Ward 60	22% completed	
Groendal Dam: Rock Stabilisation and Improved Outlet	Ward 45	52% completed	
Upgrading of Springs Water Treatment Works	Ward 51	15% completed	
Upgrade of Groendal Water Treatment Works	Ward 49	50% completed	
Linton: Additional treatment facility	Ward 9	70% completed	
Seaview Pump Station: Upgrade	Ward 40	50% completed	
KwaNobuhle Reservoir Link Watermain	Wards 40 & 41	Preliminary design stage	
Walmer Area G West: New Water Pipeline	Ward 4		
Walmer Area Q Phase 3: New Water Pipeline	Ward 4		
Seaview Bulk Water	Ward 40	Preliminary design stage	
St Albans Bulk Water	Ward 40	Preliminary design stage	
Replacement of KwaNobuhle Reservoir	Ward 42		
Balmoral Reservoir and Bulk Pipeline	Ward 53	Preliminary design stage	
Schoenmakerskop Reservoir	Ward 1	Preliminary design stage	
Construction of Amanzi Reservoir and Pipeline	Wards 53, 54 & 56	Preliminary design stage	
Van der Kemp's Reservoir and Approach Main	Wards 40 & 41	Preliminary design stage	
Construction of a 1,0 MI Reclaimed Effluent Reservoir: Uitenhage	Wards 47, 48, 49 & 50	Preliminary design stage	
Helenvale Urban Renewal Programme	Ward 13	Preliminary design stage	
Jagtlakte: Bulk Water Supply Pipeline	Wards 40, 41, 44 & 46	Preliminary design stage	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Govan Mbeki Midblock Mains	Ward 33	Preliminary design stage	
KwaNobuhle: Upgrading of water reticulation	Ward 42, 43, 44, 45, 46 & 47	Preliminary design stage	
<b>Sanitation/Sewerage</b>			
Sewers GIS Data Capture and Management Systems	Support - Metrowide	Ongoing Project	
Sewerage Master Plan	Support - Metrowide	Ongoing Project	
Replacement of Sewage Collection Vehicles and Equipment	Support - Metrowide	Ongoing Project	
Regionalisation : Sanitation	Support - Metrowide	Ongoing Project	
Rudimentary Services: Sanitation	Support - Metrowide	Ongoing Project	
Bucket Eradication Programme	Support - Metrowide	Ongoing Project	
Sewer Replacement and Relining	Support - Metrowide	Ongoing Project	
Sewers: Maintenance Backlog	Support - Metrowide	Ongoing Project	
Improvements to Sewerage System	Support - Metrowide and Ward 40	Ongoing Project	
TEI: Sampling Stations	Support - Metrowide	Ongoing Project	
Reclaimed Wastewater	Support - Metrowide	Ongoing Project	
Sewer Protection Works for Collector Sewers	Support - Metrowide	Ongoing Project	
Sewerage Pump Station : Maintenance Backlog	Support - Metrowide	Ongoing Project	
Telemetry: Pump Stations	Support - Metrowide	Ongoing Project	
WWTW: Building Repairs and Concrete Rehab.	Support - Metrowide	Ongoing Project	
WWTW: Improve Access Roads	Support - Metrowide	Ongoing Project	
WWTW - Sludge Treatment and Disposal Facilities	Support - Metrowide	Ongoing Project	
WWTW: SCADA/Telemetry Links	Support - Metrowide	Ongoing Project	
Driftsands WWTW, Phase 3 Extension	Support - Metrowide	1st phase due for completion in Oct 2013. Additional contracts to follow.	
Fishwater Flats WWTW Upgrade	Support - Metrowide	Five contracts running, three still to go to procurement. Additional contracts to follow	
Bulk Sewers Kwanobuhle	Support - Metrowide	Complete in defects liability period	
Baakens Collector Augmentation	Ward 8	Project is complete.	
Balmoral Collector Sewer	Ward 53	In design phase. Awaiting EIA approval.	
Florida Collector	Ward 53	In design phase. Awaiting EIA approval.	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Markman - Replace 600 mm Sewer	Ward 60	Tender awarded. Next phase, in the design stage.	
Rehabilitation of Kwazakhele Collector Sewer	Ward 60	Phases 1 and 2 complete. Phases 2 and 4 in design stage.	
Chatty Valley Collector Sewer Stage 1 (Nodes 20-24)	Ward 33	The contract will be retendered.	
Paapenkuis Main Sewer Augmentation	Ward 41	Phase 1 complete. Busy with Phase 2. Phases 3 and 4 in design stage.	
Missionvale Bulk Sewerage Reticulation	Ward 32	Complete in defects liability period.	
Lorraine - Bulk Sewerage Augmentation (Year 1 Designs)	Wards 1, 6, 8, 34 & 39	Still in planning and design phase. EIA being carried out.	
Augment Collector Sewer for Walmer Heights and Mt Pleasant	Wards 1 & 4	Still in planning and design phase. EIA being carried out.	
Colchester - Bulk Sewerage Infrastructure & WWTW	Ward 53	EIA constraints.	
Jagtlakte Bulk Sewerage	Wards 40, 41, 44, & 46	In planning and design stage.	
Driftsands Collector Sewer - Augmentation	Ward 1 & 2	Out to tender.	
Tynira / Endlovini - Sewerage	Ward 57	Still in planning and design phase. EIA being carried out.	
Raymond Mhlaba (Buyambo) - Bulk Sewer	Ward 21	Still in planning and design phase. EIA being carried out.	
Joe Slovo (Uitenhage) - Bulk Sewer	Ward 48	Still in planning and design phase. EIA being carried out.	
Industrial Site (Airport Valley) - Bulk Sewer	Ward 4	Still in planning and design phase.	
KwaNobuhle Area 11 - Link Sewer	Ward 45	Still in planning and design phase.	
Pump Stations - New Equipment	Ward 60	Ongoing project.	
Kelvin Jones WWTW: Upgrade	Ward 48	First phase to be awarded. Next phases in design stage.	
Brickfields: Upgrade	Ward 60	First phase in defects liability period. Phase 2 in design stage.	
Upgrade Despatch Reclamation Works	Ward 53	Contractor on site. Additional contracts to follow.	
Witteklip Bulk Sewerage	Ward 40	In design phase. Awaiting EIA approval.	
Cape Receife WWTW : Upgrade	Ward 1	In planning and design stage.	
KwaNobuhle WWTW : Upgrading	Wards 42, 43, 44, 45, 46 & 47	The contract will be retendered.	
Upgrade and Rehabilitation of Korsten Dry lake	Ward 7	Tri-annual tenderers being used.	
Motherwell North Bulk Sewerage	Ward 53, 54 & 56	Cannot start project until Coega WWTW is built.	

<b>Capital Programme by Project by Ward: Year 0</b>			<b>R000</b>
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>	
<b>Electricity</b>			
Meters and Current Transformers	Support - Metrowide	Project ongoing - Infrastructure Development	
Radio & Test Equipment	Support - Metrowide	Project ongoing - Infrastructure Development	
Low Voltage Reticulation Improvement	Support - Metrowide	Project ongoing - Infrastructure Development	
Miscellaneous Mains and Substations	Support - Metrowide	Project ongoing - Public Demand Driven - Work Allocated in that Year Completed	
Peri-Urban Network	Support - Metrowide	Project ongoing - Infrastructure Development	
Motherwell Electrification - Bulk Supply	Ward 58	Project ongoing - Infrastructure Development	
Supervisory Control Systems Upgrade	Support - Metrowide	Project ongoing - Infrastructure Development	
Redhouse Reinforcement	Ward 60	Project ongoing - Infrastructure Development	
Wells Estate Reinforcement	Ward 60	Project ongoing - Infrastructure Development	
Summerstrand Reinforcement	Ward 2	Project ongoing - Infrastructure Development	
Newton Park Reinforcement	Ward 7	Project ongoing - Infrastructure Development	
Bethelsdorp 11 kV Reinforcement	Ward 33	Project ongoing - Infrastructure Development	
Replacement of MV Switchgear	Support - Metrowide	Project ongoing - Infrastructure Development	
Relay Replacement	Support - Metrowide	Project ongoing - Infrastructure Development	
Distribution Kiosk Replacement	Support - Metrowide	Project ongoing - Infrastructure Development	
Malabar/Helenvale Reinforcement	Wards 10 & 12	Project ongoing - Infrastructure Development	
Substation Security Alarm Upgrade	Support - Metrowide	Project ongoing - Infrastructure Development	
Korsten Reinforcement	Ward 11	Project ongoing - Infrastructure Development	
Swartkops Reinforcement	Ward 60	Project ongoing - Infrastructure Development	
Uitenhage/Despatch SCADA	Support - Metrowide	Project ongoing - Infrastructure Development	
Ibhayi Reinforcement	Ward 28	Project ongoing - Infrastructure Development	
Uitenhage Reinforcement	Wards 40, 46, 48 and 51	Project ongoing - Infrastructure Development	
New/Replacement of plant and motor vehicles	Support - Metrowide	Project ongoing - Infrastructure Development	

<b>Capital Programme by Project by Ward: Year 0</b>			<b>R000</b>
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>	
Mount Road Reinforcement	Ward 5	Project ongoing - Infrastructure Development	
Computer Systems Upgrade	Support - Metrowide	Project ongoing - Infrastructure Development	
Despatch Reinforcement	Ward 52	Project ongoing - Infrastructure Development	
Walmer Lorraine Reinforcement	Wards 4 & 8	Project ongoing - Infrastructure Development	
Hunters Reinforcement	Ward 39	Project ongoing - Infrastructure Development	
Supervisory Additional Substations	Support - Metrowide	Project ongoing - Infrastructure Development	
MV and HV Switchgear replacement	Support - Metrowide	Project ongoing - Infrastructure Development	
Western Reinforcement	Ward 9	Project ongoing - Infrastructure Development	
HV Network Reinforcement - Overhead Cabling	Support - Metrowide	Project ongoing - Infrastructure Development	
HV Line Refurbishment (66 & 132kV)	Support - Metrowide	Project ongoing - Infrastructure Development	
Replace Switchgear in Mini susbs - KwaNobuhle	Support - Metrowide	Project ongoing - Infrastructure Development	
Electricity Buildings - Additional Furniture and Fittings	Support - Metrowide	Project completed - Other areas will be given attention in the future	
Overhead Lines Refurbishment	Support - Metrowide	Project ongoing - Infrastructure Development	
Relocation of existing electrical service connections	Support - Metrowide	Project completed - Other areas will be given attention in the future	
Control Room Upgrade	Support - Metrowide	Project not completed - Funding constraints have delayed the project	
Gas Turbine Refurbishment	Support - Metrowide	Project Completed as Required	
Substation Fibre Optic Backbone	Support - Metrowide	Project ongoing - Infrastructure Development	
Fairview Refurbishment	Ward 6	Project ongoing - Infrastructure Development	
HV Network Reinforcement - New Substations	Support - Metrowide	Project ongoing - Infrastructure Development	
HV Network Reinforcement - Underground Cabling	Support - Metrowide	Project ongoing - Infrastructure Development	
Street Lighting - Residential Areas	Wards 4, 16, 41, 48, and 49	Project completed - Other areas will be given attention in the future	



Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Area Lighting	Wards 4, 7, 9, 10,11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 42, 43, 44, 45, 46, 47, 49, 50, 52, 53, 54, 56, 57, 58, 59 and 60	Project completed - Other areas will be given attention in the future	
Lighting - New Main Road	Support - Metrowide	Project completed - Other areas will be given attention in the future	
Informal Housing Electrification	Wards 4, 21, 28, 33, 37, 40, 41, 45, 54, 55, & 60	Project completed - Other areas will be given attention in the future	
Private Township Development	Support - Metrowide	Project ongoing - Public Demand Driven - Work Allocated in that Year Completed	
Coega Reinforcement	Support - Metrowide	Project ongoing - Public Demand Driven - Work Allocated in that Year Completed	
Non-electrification Areas - Service Connections	Support - Metrowide	Project ongoing	
<b>Housing</b>			
Khayamandi Extension	Ward 41	Contractor appointed through the Tri-Annual Contract SCM253. Phase 1 is practically complete (95%), but Engineer needs to obtain a Water Use License to be finalised in August 2013. Phase 2 will be completed by end of September 2013. Phases 3, 4A & 4B will be completed by end May 2014.	
Motherwell NU 29 - Phase 2, Stage 2 - 890 sites	Ward 54	Project partially complete. Contractor busy with remedial work on a small stretch of work	
Joe Slovo – Uitenhage, Phase 1	Ward 48	Contractor appointed through the Tri-Annual Contract SCM253. Additional cost to project due to labour-intensive Methods of Construction implemented. Section 1 is complete with 222 sites. Sections 2 and 3 are currently undergoing testing.	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Missionvale Garden Lots	Wards 31 & 32	Contractor appointed through the Tri-Annual Contract SCM253 for the construction of bulk stormwater and internal services to 2500 sites. Phase 1 of the project complete with 312 sites officially handed over to Housing. Phase 2 of the project will be carried out in 2013/2014 financial year (completion of the outstanding 2000 sites).	
Wells Estate, Phase 3 - Extensions 4 & 5	Ward 60	This was an open tender for the construction of bulk stormwater infrastructure as well as internal services to 1280 sites. Expected date of completion of services is 15 August 2013, due to very wet conditions experienced in deep sewer line sections, material delays (sewer manhole rings) and Contractor's performance for the last two months not being satisfactorily.	
Rosedale	Ward 53	Contractor appointed through the Tri-Annual Contract SCM 253. Phase 1 of the project is 95% complete. Problems with inferior quality of manhole rings. Phase 2 of the project is dependent on the completion of Phase 1, as households need to be relocated from Phase 2 to completed Phase 1.	
Water and Sewer Connections - Various	Support - Metrowide	This is in support of the many USDG projects being implemented by Human Settlements.	
Walmer Q, Phase 3	Ward 4	Project complete	
Walmer Development	Ward 4	New Project Installation of Services to 188 sites previously stalled due to area being underlain by rock. Additional funds being allocated.	
Motherwell NU 29 - Phase 2, stage 1	Ward 54	Project Complete	
Kwanontshinga	Ward 19	Contractor appointed through the Tri-Annual Contract SCM253. Project was successfully completed and awaiting service certificates from Engineer.	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Kleinskool Area K - Services	Ward 33	Contractor appointed to install erf connections onto existing networks (water and sewer).	
Lillian Diedericks (Brister House) Office Renovation	Support - Metrowide	No. This contract will be finalized by 30 September 2013	
Motherwell Higher Density	Ward 54	Project complete.	
Motherwell NU30	Ward 54	Designs for bulk services are complete and awaiting approval. Internal designs still to be completed and submitted. An open tender process will be followed and it is envisaged that a contractor will be appointed by January 2014.	
Motherwell NU 12	Ward 54	Contractor appointed through the Tri-Annual Contract SCM253 in April 2013. Progress to date is satisfactory, with completion envisaged by end September 2013.	
Jachtlakte	Ward 41	Project still in planning phase. It is planned to provide services to +/- 24 000 households.	
Mandela and Rolihlala Village	Ward 18	Project complete.	
Roos Str, P1- P3	Ward 10	Project complete.	
Red Location - New Brighton	Ward 15	Contractor appointed through the Tri-Annual Contract SCM253. Construction commenced in April 2013 and will be completed in October 2013. Problems with the Soccer Club regarding the movement of the soccer field are currently being addressed by the Social Facilitator.	
Malabar Ext 6, Phase 2	Ward 12	Currently busy with submission of EIA Draft Report. Public meetings scheduled with community due to petitions signed against the proposed development. Implementation is planned for 2014/2015 financial year.	
Sisulu Village	Ward 24	Project complete.	
Masakhane Village	Ward 12	Awaiting approval of EIA, project anticipated to be implemented in 2014/2015 financial year.	
Kuyga	Ward 40	New Project, Phase 3 in planning phase.	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
KwaNobuhle Area 11	Ward 45	Awaiting EIA Approval by end of July 2013 before survey, draft GP and designs. Project envisaged to be implemented in February 2014.	
KwaZakhele: Ekhumphumleni	Ward 19	Final designs 95% complete. Awaiting EIA authorization. Project envisaged to be implemented in 2014/2015 financial year.	
Land Acquisition	Support - Metrowide	Council approved that erven in Kleinskool Area K : Phases 1 and 2 and erven in Bethelsdorp and Kliprant be acquired. Negotiations with the owners in Kliprant and Kleinskool Area K have now reached the final stages. However, some of the transfers to NMBM have been delayed, due to the deceased estates of the owners that have not as yet been finalised.	
Services for Motherwell NU29	Ward 54	Services complete.	
Nkatha Seyidi - Enkuthazweni	Ward 17	Project still under planning, anticipated to start implementation in 2014/2015 financial year.	
<b>Roads</b>			
Tarring of Gravel Roads	Wards 4, 7, 10, 12, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 36, 37, 38, 40, 41, 42, 44, 45, 46, 48, 50, 52, 54, 56, 57, 58, 59 and 60	Project 80% complete. Balance of the R122 million to be completed in the 2013/14 financial year.	
Provision of Sidewalks and Cycle Tracks	Wards 6, 7, 12, 20, 25, 27, 32, 34, 42, 43, 46, 47, 48, 50 and 52	Completed	
Njoli Square Redevelopment	Ward 22	Land acquisitions still taking place. Project scheduled to be completed December 2016.	
Miscellaneous - Roads and Stormwater	Support - Metrowide	Completed	
Traffic Calming Measures	Ward 1, 3, 5, 6, 8, 9, 10, 12, 13, 14, 17, 18, 20, 21, 22, 23, 24, 28, 35, 37, 38, 39, 40, 42, 43, 44, 45, 48, 49, 52, 54, 55, 56, 57 and Support - Metrowide	Completed	
Replacement Vehicles Fleet	Support - Metrowide	Completed	
Laboratory Equipment - Scientific Services	Support - Metrowide	Completed	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Access Road to Chatty Developments	Support - Metrowide	Completed, except for final snags to be completed in the 2013/14 financial year.	
New Traffic Signals	Support - Metrowide	Completed	
H45 Redhouse - Chelsea Arterial: Walker Drive to N2	Ward 39	Partial carry-over	
Groundwater Problem Elimination Northern Areas	Support - Metrowide	Completed	
Rehabilitate Tar Roads - Kleinskool	Ward 33	Completed	
Private Development Reimbursements - Roads & Stormwater	Support - Metrowide	Completed	
Facilities for the disabled	Support - Metrowide	Completed	
Rehabilitation of Infrastructure Salt Pans	Wards 31 & 32	Legal fees	
<b>Transport Services</b>			
IPTS - Work Package: Bus Rapid Transit	Ward 7, 10, 11 and Support - Metrowide	Construction in progress	
IPTS - Theescombe/Gqebera Bulk Stormwater	Ward 4	Construction in progress	
IPTS - Work Package: Public Transport Facilities	Support - Metrowide	Construction in progress	
IPTS - Work Package: TDM and ITS	Support - Metrowide	Construction in progress	
IPTS - Work Package: Public Transport Planning	Support - Metrowide	Construction in progress	
IPTS - ICT Connectivity	Support - Metrowide	Construction in progress	
IPTS - Work Package: Modal Interchanges	Wards 10, 32, 48, 58 and Support - Metrowide	Design-in progress	
IPTS - H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	Ward 3	Construction in progress	
IPTS - Work Package Pedestrian Bridges	Ward 10 and Support - Metrowide	Construction in progress	
<b>Stormwater</b>			
Missionvale: Stormwater Improvements	Ward 31	Completed	
Stormwater Improvements	Support - Metrowide	Completed	
Stormwater Improvements Ikamvelihle	Ward 56	Completed	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Stormwater Drainage System: Phase 2, Mondile Str. KwaNobuhle	Ward 42	Project scheduled to be completed in the 2013/14 financial year.	
New Brighton/KwaZakhele: Bulk Stormwater	Wards 16, 17, 18, 19, 20, 21, 22, 24 and 25	Completed	
Zwide Bulk Stormwater	Ward 26	Project being implemented in phases. Phase 7 complete.	
Flood Risk and Improvements (Swartkops & Chatty)	Support - Metrowide	Completed	
Flood Risk Improvements: Chatty River	Support - Metrowide	Completed	
Blue Horizon Bay Bulk Stormwater	Ward 40	Carry over	
Wells Estate: Stormwater Improvement	Ward 60	Project 85% complete. Project completion in the 2013/14 financial year.	
<b>Waste Management Services</b>			
Waste Management Containers	Support - Metrowide	No. No contract in place virement funds to 'Replacement of refuse compactors' to purchase truck for increasing frequency of collection.	
IWMP Project	Support - Metrowide	IWMP has not been approved yet and the funds were viremented to 'Replacement of refuse compactors'.	
Urban Refuse Transfer/Recycling Station	Ward 9	Tender could not be adjudicated in time. Funds spent to upgrade the existing sites.	
Replacement of Refuse Compactors	Support - Metrowide	One compactor was received of the 6 ordered. Requested funds to be rolled over, as the trucks have been ordered.	
<b>Planning Services</b>			
Upgrading Helenvale Resource Centre - Multipurpose Centre	Ward 13		
Fountain Road Redevelopment	Ward 4	Project to be completed in the 2013/14 financial year as per National Treasury Agreement.	
Nodal and Precinct Development (Helenvale)	Ward 13		
Restoration of Despatch Brickfields Chimney	Ward 52		
Pedestrian Walkways - HURP	Ward 13		

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Motherwell Thusong Service Centre	Support - Metrowide	No	
SMME Hive	Ward 58	No	
Rehabilitation of Market Building Infrastructure	Support - Metrowide		
Nelson Mandela Metropolitan Peace Park	Support - Metrowide		
Mendi Bottlestore Renovation	Ward 14	Tender advertisement was on 31 July 2013. Tenders closed on 5 September 2013. Purchasing of adjoining erven required for the project could not be concluded in the 2012/2013 financial year.	
<b>Sports, Arts &amp; Culture</b>			
Upgrade Wolfson Stadium, Phase 3	Ward 14	Project started 22 April 2013; completion expected in November 2013.	
Maintain/Rehabilitate Sports Facility Infrastructure - PE	Wards 4, 32, 50 and 52	Ward 4 was not completed allocation. This will be in 2013/2014 financial year.	
Upgrade Beaches, Tourism - Two	Wards 2 & 60		
New and Upgrade Surf Lifesaving Facilities	Wards 2 & 60		
Upgrade Picnic/Camping Facilities Beachfront	Ward 60		
Multi-Purpose Recreational Facilities	Support - Metrowide		
Upgrade Existing Sports Facilities	Ward 4		
Secure Recreational Buildings / Facilities	Support - Metrowide		
<b>Financial Services (Budget and Treasury)</b>	Support - Metrowide		
Upgrading of ETB Customer Care Centre	Support - Metrowide	No	
Financial Asset Management Integration: Computer Hardware	Support - Metrowide	Yes	
1/2 Ton Panel van for Vending	Support - Metrowide	Yes	
Replacement of Revenue Sub-Directorate Computer Equipment	Support - Metrowide	Yes	
Replacement of Vending POS Equipment	Support - Metrowide	Yes	

Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Financial Accounting Control and Systems Development	Support - Metrowide	No. Tender process to assign a service provider is still in progress	
Replacement of Handheld Devices - Meter Reading	Support - Metrowide	Contract was not awarded as at 30 June 2013. Contract has since been awarded, goods expected to be delivered in September 2013	
<b>Executive and Council</b>			
Integrated Land Information System (ILIS)	Support - Metrowide	Yes	
Lillian Diedericks Building - Upgrading and Rehabilitation	Support - Metrowide	Yes	
Building Electrical COC	Support - Metrowide	Yes	
Mfanasekhaya Gqobose Building - Upgrade and Rehabilitation	Support - Metrowide	Yes	
Despatch Town Hall: Roof Replacement	Ward 53	Yes	
PE City Hall - Upgrade	Support - Metrowide	Yes	
Uitenhage Town Hall Roof Replacement	Ward 48	Yes	
Upgrade of Municipal Depots	Support - Metrowide	Yes	
Secure Municipal Parks Facilities	Ward 3	Achieved the target for the 2012/13 financial year. This is an ongoing project.	
Upgrade of Uitenhage Dog Pound	Ward 48	Yes	
Public Health Specialised Equipment	Support - Metrowide	Yes	
Gateways	Ward 60	Achieved the target for the 2012/13 financial year. This is an ongoing project.	
Improvements to Public Health Infrastructure	Support - Metrowide	Achieved the target for the 2012/13 financial year.	
<b>Safety and Security</b>			
Early Warning System	Support - Metrowide	Ongoing project; 2012/13 target achieved.	
Disaster Management Centre	Support - Metrowide	Yes	
<b>Property; Legal; Risk Management and Procurement Services</b>			



Capital Programme by Project by Ward: Year 0			R000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
<b>ICT and Other</b>			
Application Software	Support - Metrowide		
Computer Enhancements - Corporate	Support - Metrowide		
<b>Clinics</b>			
Occupational Health Services - Medical Equipment	Support - Metrowide	Yes	
<b>Bio-diversity; Landscape and Other</b>			
Upgrade and Development of Public Open Spaces	Wards 17, 29, 30, 41, & 57	Achieved the target for the 2012/13 financial year. This is an ongoing project.	
Beachfront	Wards 1, 2, 5 & 60	Achieved the target for the 2012/13 financial year. This is an ongoing project.	
Re-instatement of Embankment - Tygerbay / Coastal Revetments	Ward 60	Yes	
Implementation - Van Der Kemp's Kloof	Wards 32 & 41	No. Tender to be advertised in 2013/14 financial year, works expected to be completed in the 2013/14 financial year.	
Brooks Hill Promenade Rehabilitation	Ward 1	No. Due to delays in the procurement process this project will commence in the 2013/14 financial year and completion expected in the 2014/15 financial year.	
<b>Pollution Control</b>			
Vehicles for Noise Control	Support - Metrowide	Yes	
<b>Cemeteries and Crematoriums</b>			
Cemeteries	Wards 4, 29, 33, 35, 47 & 56	Achieved the target for the 2012/13 financial year. This is an ongoing project.	

<b>Capital Programme by Project by Ward: Year 0</b>			<b>R000</b>
<b>Capital Project</b>	<b>Ward(s) affected</b>	<b>Works completed (Yes/No)</b>	
<b>Libraries; Archives; Museums; Galleries; Community Facilities; Other</b>			
Upgrade of Halls	Support - Metrowide	Yes	
New Community Halls	Support - Metrowide	Yes	
Upgrade of NU2 Community Hall	Support - Metrowide	Yes	

## **APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS**

The Municipality has no backlogs for schools or clinics. Connections are provided as and when required.

**APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

Clinics and schools falls under the responsibility of the Eastern Cape Provincial Government. The Municipality has no backlogs for schools or clinics. Connections are provided as and when required.

The Municipality is responsible for the provision of services such as housing, sports fields and licensing and testing centres. Information with regard to the latter is reflected in Chapter 3 of this Annual Report.

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0					
All Organisation or Persons in receipt of Loans */Grants* provided by the Municipality	Nature of project	Conditions attached to funding	Value Year 0 R000	Total Amount committed over previous and future years	
Grants in aid	Community-based Organisations	As per the Grant in Aid Policy	5,972,596	5,647,331	(Previous year)
Grants to entities	Infrastructure Development	As per the signed three year agreement	16,293,959	19,014,533	(Previous year)
Grants to other organisations	Economic Development & Tourism Development	As per the signed three year agreement	15,109,190	16,234,135	(Previous year)
Grants to individuals	Assistance to the poor	As per the ATTP Policy	277,825,897	260,312,761	(Previous year)
T R					

## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government	
Outcome/Output	Progress to date
Output: Improving access to basic services	<p><b>Access to Basic Services:</b> During the period under review, the Municipality recorded the following service delivery statistics:</p> <ul style="list-style-type: none"> <li>• 100% of all households on officially surveyed sites provided with access to electricity</li> <li>• 100% households within the urban edge provided with access to basic potable water supply within 200 m radius</li> <li>• 91% households with access to basic sanitation</li> <li>• 99,93% of households within the urban edge receiving a domestic waste collection service</li> <li>• 1 798 state subsidised housing units provided</li> </ul> <p><b>Access to Free Basic Services:</b> The Municipality has an Assistance to the Poor (ATTP) Scheme in place. In terms thereof, the Municipality provided free basic services (water, electricity, sanitation, refuse) to approximately 71 794 indigent households in Nelson Mandela Bay.</p>
Output: Implementation of the Community Work Programme	<p>Community Development Workers and Youth Development Practitioners play a critical role in ensuring that the services of government and Council reach local communities, through outreach sessions, door-to-door campaigns, services on wheels and report-back sessions, facilitating and consulting with Ward Councillors and the Constituency Coordinator's office on a regular basis.</p> <p>The Municipality liaises with Community Development Workers through the Constituency Services Office. A challenge is the co-ordination of control over, as well as the accountability of Community Development Workers to the Municipality. There is a need for the development and implementation of a framework on the utilisation of Community Development Workers by the three spheres of government.</p>

National and Provincial Outcomes for Local Government	
Outcome/Output	Progress to date
Output: Deepen democracy through a refined Ward Committee model	<p>The Nelson Mandela Bay Municipality did not have a functional Ward Committee System in place during the review period.</p> <p>A Draft Policy on the establishment and implementation of Ward Committees was submitted to a Council meeting in December 2012. Council resolved to establish a Task Team to <i>inter alia</i> interrogate the Policy, to effect any necessary amendments. The Committee completed its work and a Draft Policy is now <i>en route</i> to Council for consideration. Once the Policy has been adopted by Council, the implementation plan will be rolled out and Ward Committees will be established.</p>
Output: Administrative and financial capability	<p>In October 2012, Moody's Investors Services downgraded the Municipality's credit rating from Aa3.za to A1.za (with negative outlook). This was primarily due to the change in the sovereign (government) rating of one (1) notch to Baa1 from A3 with negative outlook. Although the rating was downgraded to A1, a rating of A1 still falls within the P-1 category, which indicates a superior ability to repay short-term obligations.</p> <p>The issuer has further indicated that the Municipality is rated at the high end of the range of South African municipalities, whose ratings span from Aa3.za to Baa2.za. The Municipality's relative position reflects debt and debt-service levels that are aligned with the median of its national peers. Although challenged by recent tensions, the Municipality's liquidity position is comfortable, as stated by the issuer.</p>

## **VOLUME II**

### **ANNUAL FINANCIAL STATEMENTS**



## **VOLUME III**

### **REPORT ON MUNICIPAL ENTITY: MANDELA BAY DEVELOPMENT AGENCY**